

SENATE BILL No. 496

DIGEST OF INTRODUCED BILL

Citations Affected: IC 3-11-6-9; IC 6-1.1; IC 8-16; IC 8-22; IC 12-20-23-2; IC 12-29-2-2; IC 13-21-3; IC 14-33-7-3; IC 15-1-6-2; IC 15-1.5-8-1; IC 16-20; IC 16-22-5-4; IC 16-23-9-2; IC 16-35-3-3; IC 16-41-33-4; IC 20-5; IC 20-14; IC 21-1-11-2; IC 21-2; IC 21-3-3.1-2.1; IC 23-14; IC 36-7; IC 36-8; IC 36-9; IC 36-10.

Synopsis: Levy limitations related to reassessment. Limits the increase in the assessed value growth quotient to the lesser of: (1) 10%; or (2) the rate of inflation for state and local government consumption expenditures and gross investment plus 2.5%. Requires the department of local government finance to adjust maximum tax rates, certain deduction percentages, and base assessed values in tax increment finance areas (TIF) set by statute to neutralize the effects of a general reassessment and annual assessed value adjustments. Updates population parameters to reflect changes in the 2000 decennial census.

Effective: March 1, 2002 (retroactive); July 1, 2002.

Weatherwax

January 14, 2002, read first time and referred to Committee on Finance.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 496

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 3-11-6-9 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 9. To provide
3 for a cumulative fund, a county may levy a tax in compliance with
4 IC 6-1.1-41 on all taxable property within the county. The tax may not
5 exceed one and sixty-seven hundredths cents (\$0.0167) on each one
6 hundred dollars (\$100) of assessed valuation, **as adjusted under**
7 **IC 6-1.1-44.**

8 SECTION 2. IC 6-1.1-12.1-4, AS AMENDED BY P.L.4-2000,
9 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 MARCH 1, 2002 (RETROACTIVE)]: Sec. 4. (a) Except as provided
11 in section 2(i)(4) of this chapter, the amount of the deduction which the
12 property owner is entitled to receive under section 3 of this chapter for
13 a particular year equals the product of:

- 14 (1) the increase in the assessed value resulting from the
15 rehabilitation or redevelopment; multiplied by
16 (2) the percentage prescribed in the table set forth in subsection
17 (d).



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(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) If an annual assessed value adjustment of real property occurs under IC 6-1.1-4-4.5 within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the annual assessed value adjustment.

The ~~state board~~ **department of tax commissioners local government finance** shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%



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(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
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1	1st	100%
2	2nd	88%
3	3rd	77%
4	4th	66%
5	5th	55%
6	6th	44%
7	7th	33%
8	8th	22%
9	9th	11%
10	(10) For deductions allowed over a ten (10) year period:	
11	YEAR OF DEDUCTION	PERCENTAGE
12	1st	100%
13	2nd	95%
14	3rd	80%
15	4th	65%
16	5th	50%
17	6th	40%
18	7th	30%
19	8th	20%
20	9th	10%
21	10th	5%

SECTION 3. IC 6-1.1-18-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 2. The state may not impose a tax rate on tangible property in excess of thirty-three hundredths of one cent (\$0.0033) on each one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**. The state tax rate is not subject to review by county boards of tax adjustment or county auditors. This section does not apply to political subdivisions of the state.

SECTION 4. IC 6-1.1-18.5-1, AS AMENDED BY P.L.198-2001, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. As used in this chapter:

(1) "Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

(2) "Adopting county" means any county in which the county adjusted gross income tax is in effect.

(3) "Civil taxing unit" means any taxing unit except a school corporation.

(4) "Maximum permissible ad valorem property tax levy for the preceding calendar year" means the greater of:

(+) (A) the civil taxing unit's maximum permissible ad



valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; or

(2) (B) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17.

(5) "Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and section 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

(6) "Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.

SECTION 5. IC 6-1.1-18.5-2, AS AMENDED BY P.L.198-2001, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) ~~This subsection applies to a calendar year ending before January 1, 2006.~~ For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: ~~Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective. Calculate the average implicit price deflator for state and local government consumption expenditures and gross investment, prepared by the United States Department of Commerce, Bureau of Economic Analysis, for the state fiscal year ending in that calendar year immediately preceding the ensuing calendar year by totaling the implicit price deflator for the gross national product for each quarter of the state fiscal year that ends in the calendar year and dividing that total by four (4). Round the result to the nearest one-thousandth (.001).~~

STEP TWO: ~~Compute separately, for each of the calendar years~~

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determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the civil taxing unit's total assessed value of all taxable property in the particular calendar year, divided by the civil taxing unit's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year. Calculate the average implicit price deflator for state and local government consumption expenditures and gross investment, prepared by the United States Department of Commerce, Bureau of Economic Analysis, for the state fiscal year ending in that calendar year preceding the ensuing calendar year by totaling the implicit price deflator for the gross national product for each quarter of the state fiscal year that ends in the calendar year and dividing that total by four (4). Round the result to the nearest one-thousandth (.001).

STEP THREE: Divide the sum of the three (3) quotients computed in STEP ONE result by the STEP TWO by three (3): result. Round the result to the nearest one-thousandth (.001).

STEP FOUR: Determine the greater of the result computed in STEP THREE or one and five-hundredths (1.05). Add the STEP THREE result and twenty-five thousandths (0.025).

STEP FIVE: Determine the greater of the STEP FOUR result or zero (0).

STEP SIX: Determine the lesser of the result computed in STEP FOUR FIVE or one and one-tenth (1.1).

(b) This subsection applies to a calendar year beginning after December 31, 2005. For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the civil taxing unit's total unadjusted assessed value of all taxable property in the particular calendar year, divided by the civil taxing unit's total unadjusted assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3):

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1 STEP FOUR: Determine the greater of the result computed in
2 STEP THREE or one and five-hundredths (1.05):

3 STEP FIVE: Determine the lesser of the result computed in STEP
4 FOUR or one and one-tenth (1.1):

5 (c) This subsection applies to a calendar year ending before January
6 1, 2006: If the assessed values of taxable property used in determining
7 a civil taxing unit's property taxes that are first due and payable in a
8 particular calendar year are significantly increased over the assessed
9 values used for the immediately preceding calendar year's property
10 taxes due to the settlement of litigation concerning the general
11 reassessment of that civil taxing unit's real property, then for purposes
12 of determining that civil taxing unit's assessed value growth quotient
13 for an ensuing calendar year, the department of local government
14 finance shall replace the quotient described in STEP TWO of
15 subsection (a) for that particular calendar year. The department of local
16 government finance shall replace that quotient with one that as
17 accurately as possible will reflect the actual growth in the civil taxing
18 unit's assessed values of real property from the immediately preceding
19 calendar year to that particular calendar year.

20 (d) This subsection applies to a calendar year beginning after
21 December 31, 2005: If the unadjusted assessed values of taxable
22 property used in determining a civil taxing unit's property taxes that are
23 first due and payable in a particular calendar year are significantly
24 increased over the unadjusted assessed values used for the immediately
25 preceding calendar year's property taxes due to the settlement of
26 litigation concerning the general reassessment of that civil taxing unit's
27 real property, then for purposes of determining that civil taxing unit's
28 assessed value growth quotient for an ensuing calendar year, the
29 department of local government finance shall replace the quotient
30 described in STEP TWO of subsection (b) for that particular calendar
31 year. The department of local government finance shall replace that
32 quotient with one that, as accurately as possible, will reflect the actual
33 growth in the civil taxing unit's unadjusted assessed values of real
34 property from the immediately preceding calendar year to that
35 particular calendar year.

36 SECTION 6. IC 6-1.1-18.5-3, AS AMENDED BY P.L.151-2001,
37 SECTION 4, AND AS AMENDED BY P.L.198-2001, SECTION 53,
38 IS AMENDED AND CORRECTED TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) Except as otherwise provided
40 in this chapter *and IC 6-3.5-8-12*, a civil taxing unit that is treated as
41 not being located in an adopting county under section 4 of this chapter
42 may not impose an ad valorem property tax levy for an ensuing

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calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, that was used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of subsection (b) for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in *either* the last STEP of section 2 ~~2(a)~~ of this chapter *for calendar years ending before January 1, 2006, or the last STEP of section 2(b) of this chapter for calendar years beginning after December 31, 2005.*

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten thousandth) of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

(b) Except as otherwise provided in this chapter *and IC 6-3.5-8-12*, a civil taxing unit that is treated as being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of this subsection for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in *either* the last STEP of section 2 ~~2(a)~~ of this chapter *for calendar years ending before January 1, 2006,*

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or the last STEP of section 2(b) of this chapter for calendar years beginning after December 31, 2005.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

STEP EIGHT: Subtract the amount determined under STEP FIVE of subsection (e) from the amount determined under STEP SEVEN of this subsection.

(c) If a civil taxing unit in the immediately preceding calendar year provided an area outside its boundaries with services on a contractual basis and in the ensuing calendar year that area has been annexed by the civil taxing unit, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals the amount paid by the annexed area during the immediately preceding calendar year for services that the civil taxing unit must provide to that area during the ensuing calendar year as a result of the annexation. In all other cases, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals zero (0).

(d) This subsection applies only to civil taxing units located in a county having a county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as of January 1 of the ensuing calendar year. For each civil taxing unit, the amount to be added to the amount determined in subsection (e), STEP FOUR, is determined using the following formula:

STEP ONE: Multiply the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year by two percent (2%).

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STEP TWO: For the determination year, the amount to be used as the STEP TWO amount is the amount determined in subsection (f) for the civil taxing unit. For each year following the determination year the STEP TWO amount is the lesser of:

- (A) the amount determined in STEP ONE; or
- (B) the amount determined in subsection (f) for the civil taxing unit.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the civil taxing unit's certified share for the ensuing calendar year minus the greater of:
 - (i) the civil taxing unit's certified share for the calendar year that immediately precedes the ensuing calendar year; or
 - (ii) the civil taxing unit's base year certified share.

STEP FOUR: Determine the greater of:

- (A) zero (0); or
- (B) the amount determined in STEP TWO minus the amount determined in STEP THREE.

Add the amount determined in STEP FOUR to the amount determined in subsection (e), STEP THREE, as provided in subsection (e), STEP FOUR.

(e) For each civil taxing unit, the amount to be subtracted under subsection (b), STEP EIGHT, is determined using the following formula:

STEP ONE: Determine the lesser of the civil taxing unit's base year certified share for the ensuing calendar year, as determined under section 5 of this chapter, or the civil taxing unit's certified share for the ensuing calendar year.

STEP TWO: Determine the greater of:

- (A) zero (0); or
- (B) the remainder of:
 - (i) the amount of federal revenue sharing money that was received by the civil taxing unit in 1985; minus
 - (ii) the amount of federal revenue sharing money that will be received by the civil taxing unit in the year preceding the ensuing calendar year.

STEP THREE: Determine the lesser of:

- (A) the amount determined in STEP TWO; or
- (B) the amount determined in subsection (f) for the civil taxing unit.

STEP FOUR: Add the amount determined in subsection (d), STEP FOUR, to the amount determined in STEP THREE.

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STEP FIVE: Subtract the amount determined in STEP FOUR from the amount determined in STEP ONE.

(f) As used in this section, a taxing unit's "determination year" means the latest of:

(1) calendar year 1987, if the taxing unit is treated as being located in an adopting county for calendar year 1987 under section 4 of this chapter;

(2) the taxing unit's base year, as defined in section 5 of this chapter, if the taxing unit is treated as not being located in an adopting county for calendar year 1987 under section 4 of this chapter; or

(3) the ensuing calendar year following the first year that the taxing unit is located in a county that has a county adjusted gross income tax rate of more than one-half percent (0.5%) on July 1 of that year.

The amount to be used in subsections (d) and (e) for a taxing unit depends upon the taxing unit's certified share for the ensuing calendar year, the taxing unit's determination year, and the county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of the year preceding the ensuing calendar year. For the determination year and the ensuing calendar years following the taxing unit's determination year, the amount is the taxing unit's certified share for the ensuing calendar year multiplied by the appropriate factor prescribed in the following table:

COUNTIES WITH A TAX RATE OF 1/2%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	0

COUNTIES WITH A TAX RATE OF 3/4%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	1/2

COUNTIES WITH A TAX RATE OF 1.0%

Year	Subsection (d) Factor	Subsection (e) Factor
For the determination year	1/6	1/3
For the ensuing calendar year following the determination year	1/4	1/3
For the ensuing calendar year		

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1 following the determination

2 year by two (2) years 1/3 1/3

3 SECTION 7. IC 6-1.1-18.5-6 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) For purposes of
5 STEP TWO of section 2(a) of this chapter and STEP TWO of section
6 2(b) of this chapter, the civil taxing unit's taxable property includes all
7 taxable property located in the geographic area subject to the civil
8 taxing unit's ad valorem property tax levy for the ensuing calendar year,
9 regardless of whether that property was located in the geographic area
10 subject to the civil taxing unit's ad valorem property tax levy in the
11 calendar years for which the computation is made:

12 (b) For purposes of STEP TWO of section 2(a) of this chapter, STEP
13 THREE of section 3(a) of this chapter and STEP THREE of section
14 3(b) of this chapter, the assessed value of taxable property is the
15 assessed value of that property as determined by the department of
16 local government finance in fixing the civil taxing unit's budget, levy,
17 and rate for the applicable calendar year, excluding deductions allowed
18 under IC 6-1.1-12 or IC 6-1.1-12.1.

19 SECTION 8. IC 6-1.1-18.5-9.8 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
21 9.8. (a) For purposes of determining the property tax levy limit imposed
22 on a city, town, or county under section 3 of this chapter, the city, town,
23 or county's ad valorem property tax levy for a particular calendar year
24 does not include an amount equal to the lesser of:

25 (1) the amount of ad valorem property taxes that would be first due
26 and payable to the city, town, or county during the ensuing
27 calendar year if the taxing unit imposed the maximum permissible
28 property tax rate per one hundred dollars (\$100) of assessed
29 valuation that the civil taxing unit may impose for the particular
30 calendar year under the authority of IC 36-9-14.5 (in the case of a
31 county) or IC 36-9-15.5 (in the case of a city or town); or

32 (2) the excess, if any, of:

33 (A) the property taxes imposed by the city, town, or county under
34 the authority of:

35 IC 3-11-6-9;

36 IC 8-16-3;

37 IC 8-16-3.1;

38 IC 8-22-3-25;

39 IC 14-27-6-48;

40 IC 14-33-9-3;

41 IC 16-22-8-41;

42 IC 16-22-5-2 through IC 16-22-5-15;

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1 IC 16-23-1-40;
 2 IC 36-8-14;
 3 IC 36-9-4-48;
 4 IC 36-9-14;
 5 IC 36-9-14.5;
 6 IC 36-9-15;
 7 IC 36-9-15.5;
 8 IC 36-9-16;
 9 IC 36-9-16.5;
 10 IC 36-9-17;
 11 IC 36-9-26;
 12 IC 36-9-27-100;
 13 IC 36-10-3-21; or
 14 IC 36-10-4-36;
 15 that are first due and payable during the ensuing calendar year;
 16 over
 17 (B) the property taxes imposed by the city, town, or county under
 18 the authority of the citations listed in clause (A) that were first
 19 due and payable during calendar year 1984.
 20 (b) The maximum property tax rate levied under the statutes listed in
 21 subsection (a) must be adjusted **under IC 6-1.1-44** each time a general
 22 reassessment of property takes effect **and each time an annual**
 23 **assessed value adjustment is made under IC 6-1.1-4-4.5 to**
 24 **neutralize the inflationary effects of the reassessment and annual**
 25 **assessed value adjustment.**
 26 (c) The new maximum rate under a statute listed in subsection (a) is
 27 the tax rate determined under STEP SEVEN of the following formula:
 28 STEP ONE: Determine the maximum rate for the political
 29 subdivision levying a property tax under the statute for the year
 30 preceding the year in which the general reassessment takes effect.
 31 STEP TWO: Determine the actual percentage increase (rounded to
 32 the nearest one-hundredth percent (0.01%)) in the assessed value
 33 of the taxable property from the year preceding the year the general
 34 reassessment takes effect to the year that the general reassessment
 35 is effective.
 36 STEP THREE: Determine the three (3) calendar years that
 37 immediately precede the ensuing calendar year and in which a
 38 statewide general reassessment of real property does not first
 39 become effective.
 40 STEP FOUR: Compute separately, for each of the calendar years
 41 determined in STEP THREE, the actual percentage increase
 42 (rounded to the nearest one-hundredth percent (0.01%)) in the

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assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3):

STEP SIX: Determine the greater of the following:

(A) Zero (0):

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage:

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase:

(d) The state board of tax commissioners shall compute the maximum rate allowed under subsection (c) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (a):

SECTION 9. IC 6-1.1-18.5-10.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 10.3. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a library board for a capital projects fund under IC 20-14-13. However, the maximum amount that is exempt from the levy limits under this section may not exceed the property taxes that would be raised in the ensuing calendar year with a property tax rate of one and thirty-three hundredths cents (\$0.0133) per one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44.**

(b) For purposes of computing the ad valorem property tax levy limit imposed on a library board under section 3 of this chapter, the library board's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 20-14-13 that is exempt from the ad valorem property tax levy limits under subsection (a).

SECTION 10. IC 6-1.1-18.5-13, AS AMENDED BY P.L.181-2001, SECTION 1, AND AS AMENDED BY P.L.198-2001, SECTION 55, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to reallocate the amount set aside as a property tax replacement credit as required by IC 6-3.5-1.1 for a purpose other than property tax relief. However, whenever this occurs, the local government tax control board shall also state the amount to be reallocated.

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(2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's share of the costs of operating a court for the first full calendar year in which it is in existence.

(4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the civil taxing unit's average three (3) year growth factor, as determined in section 2 ~~2(a)~~ (STEP ~~THREE~~) **FIVE**) of this chapter *for calendar years ending before January 1, 2006; or section 2(b) (STEP ~~THREE~~) of this chapter for calendar years beginning after December 31, 2005;* exceeds one and one tenth (1.1). However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision may not exceed an amount equal to the remainder of:

(A) the amount of ad valorem property taxes the civil taxing unit could impose for the ensuing calendar year under section 3 of this chapter if at STEP TWO of subsection (a) or (b), as the case may be, the amount determined in STEP ~~THREE~~ **FIVE** of section 2 ~~2(a)~~ of this chapter *for calendar years ending before January 1, 2006; or in STEP ~~THREE~~ of section 2(b) (STEP ~~THREE~~) of this chapter for calendar years beginning after December 31, 2005;* is substituted for the amount determined under STEP **FIVE** of section 2 ~~2(a)~~ of this chapter; *for calendar years ending before January 1, 2006; or under STEP ~~FIVE~~ of section 2(b) of this chapter for calendar years beginning after December 31, 2005;* minus

(B) the amount of ad valorem property taxes the civil taxing unit

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could impose under section 3 of this chapter for the ensuing calendar year.

In addition, before the local government tax control board may recommend the relief allowed under this subdivision, the civil taxing unit must show a need for the increased levy because of special circumstances, and the local government tax control board must consider other sources of revenue and other means of relief.

(5) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under ~~IC 6-1.1-18.5; this chapter~~; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(6) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that

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immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(7) Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's poor relief ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**; and

(B) the township needs the increase to meet the costs of providing poor relief under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's poor relief ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**, minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(8) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**.

(9) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

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(i) (i) a county having a population of more than ~~one hundred twenty-nine thousand (129,000)~~ but less than ~~one hundred thirty thousand six hundred (130,600)~~; **one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);**

(ii) a city having a population of more than ~~forty-three thousand seven hundred (43,700)~~ but less than ~~forty-four thousand (44,000)~~; **fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);**

(iii) a city having a population of more than ~~twenty-five thousand five hundred (25,500)~~ but less than ~~twenty-six thousand (26,000)~~; **twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);**

(iv) a city having a population of more than ~~fifteen thousand three hundred fifty (15,350)~~ but less than ~~fifteen thousand five hundred seventy (15,570)~~; **fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600);** or

(v) a city having a population of more than ~~five thousand six hundred fifty (5,650)~~ but less than ~~five thousand seven hundred eight (5,708)~~; **seven thousand (7,000) but less than seven thousand three hundred (7,300);** and

(B) the increase is necessary to provide funding to undertake removal (as defined in ~~IC 13-7-8.7-1~~ IC 13-11-2-187) and remedial action (as defined in ~~IC 13-7-8.7-1~~ IC 13-11-2-185) relating to hazardous substances (as defined in ~~IC 13-7-8.7-1~~ IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44.** For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(10) Permission for a county having a population of more than ~~seventy-eight thousand (78,000)~~ but less than ~~eighty-five thousand~~

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1 ~~(85,000)~~ **eighty thousand (80,000) but less than ninety thousand**
 2 **(90,000)** to increase the county's levy in excess of the limitations
 3 established under section 3 of this chapter, if the local government
 4 tax control board finds that the county needs the increase to meet
 5 the county's share of the costs of operating a jail or juvenile
 6 detention center, including expansion of the facility, if the jail or
 7 juvenile detention center is opened after December 31, 1991.
 8 Before recommending an increase, the local government tax
 9 control board shall consider all other revenues available to the
 10 county that could be applied for that purpose. An appeal for
 11 operating funds for a jail or juvenile detention center shall be
 12 considered individually, if a jail and juvenile detention center are
 13 both opened in one (1) county. The maximum aggregate levy
 14 increases that the local government tax control board may
 15 recommend for a county equals the county's share of the costs of
 16 operating the jail or juvenile detention center for the first full
 17 calendar year in which the jail or juvenile detention center is in
 18 operation.

19 (11) Permission for a township to increase its levy in excess of the
 20 limitations established under section 3 of this chapter, if the local
 21 government tax control board finds that the township needs the
 22 increase so that the property tax rate to pay the costs of furnishing
 23 fire protection for a township, or a portion of a township, enables
 24 the township to pay a fair and reasonable amount under a contract
 25 with the municipality that is furnishing the fire protection.
 26 However, for the first time an appeal is granted the resulting rate
 27 increase may not exceed fifty percent (50%) of the difference
 28 between the rate imposed for fire protection within the
 29 municipality that is providing the fire protection to the township
 30 and the township's rate. A township is required to appeal a second
 31 time for an increase under this subdivision if the township wants
 32 to further increase its rate. However, a township's rate may be
 33 increased to equal but may not exceed the rate that is used by the
 34 municipality. More than one (1) township served by the same
 35 municipality may use this appeal.

36 *(12) Permission for a township to increase its levy in excess of the*
 37 *limitations established under section 3 of this chapter, if the local*
 38 *government tax control board finds that the township has been*
 39 *required, for the three (3) consecutive years preceding the year for*
 40 *which the appeal under this subdivision is to become effective, to*
 41 *borrow funds under IC 36-6-6-14 to furnish fire protection for the*
 42 *township or a part of the township. However, the maximum*

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increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(13) Permission to a city having a population of more than ~~twenty-three thousand five hundred (23,500)~~ but less than ~~twenty-four thousand (24,000)~~ **twenty-nine thousand (29,000) but less than thirty-one thousand (31,000)** to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under subdivision (1) in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned to have reallocated in 2001 under subdivision (1) for a purpose other than property tax relief.

SECTION 11. IC 6-1.1-19-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.

10. (a) This section applies to a school corporation that:

(1) is located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000);

(2) is a party to a lawsuit alleging that its schools are segregated in violation of the Constitution of the United States or federal law;

(3) desires to improve or maintain racial balance among two (2) or more schools within the school corporation, regardless of the school corporation's basis for desiring to improve or maintain racial balance; and

(4) has a minority student enrollment that comprises at least ten percent (10%) of its total student enrollment, using the most recent enrollment data available to the school corporation.

(b) As used in this section, "minority student" means a student who is black, Spanish American, Asian American, or American Indian.

(c) A school corporation may establish a racial balance fund and petition the school property tax control board to impose an ad valorem property tax to raise revenue for the fund. However, before a school corporation may impose an ad valorem property tax under this section,



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the school corporation must file a petition with the school property tax control board. The petition must be filed before June 1 of the year preceding the first year the school corporation desires to impose the property tax and must include the following:

- (1) The name of the school corporation.
- (2) A settlement agreement among the parties to a desegregation lawsuit that includes the program that will improve or maintain racial balance in the school corporation.
- (3) The proposed property tax levy.
- (4) Any other item required by the school property tax control board.

(d) The school property tax control board may recommend to the ~~state board~~ **department of tax commissioners local government finance** that a school corporation be allowed to establish a racial balance fund to be funded by an ad valorem property tax levy. The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

- (1) The revenue derived from a tax rate of eight and thirty-three hundredths cents (\$0.0833) for each one hundred dollars (\$100) of assessed valuation within the school corporation, **as adjusted under IC 6-1.1-44.**
- (2) The revenue derived from a tax rate equal to the difference between the maximum rate allowed for the school corporation's capital projects fund under IC 21-2-15 minus the actual capital projects fund rate that will be in effect for the school corporation for a particular year.

(e) The ~~state board~~ **department of tax commissioners local government finance** shall review the petition of the school corporation and the recommendation of the school property tax control board and:

- (1) disapprove the petition if the petition does not comply with this section;
- (2) approve the petition; or
- (3) approve the petition with modifications.

(f) A property tax levy under this section is in addition to, and not part of, the school corporation's general fund property tax levy for purposes of determining the school corporation's maximum permissible general fund property tax levy under this chapter.

(g) Money received from a property tax levy under this section shall be deposited in the school corporation's racial balance fund established under this section. Money in the fund may be used only for education programs that improve or maintain racial balance in the school corporation. However, money in the fund may not be used for:

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1 (1) transportation; or
 2 (2) capital improvements;
 3 even though those costs may be attributable to the school corporation's
 4 proposed programs for improving or maintaining racial balance in the
 5 school corporation.

6 SECTION 12. IC 6-1.1-21.7-10 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 8 10. The lost revenue for a fund is the amount determined under STEP
 9 THREE of the following formula:

10 STEP ONE: Determine the property tax levy approved by the ~~state~~
 11 ~~board department of tax commissioners local government~~
 12 ~~finance~~ for the base year, as adjusted by the following:

13 (A) If the taxpayer made payments in lieu of taxes in the base
 14 year that were not included in the property tax levy for the base
 15 year, add the amount of the payments in lieu of taxes made by
 16 the taxpayer in the base year to the amount of the tax levy.

17 (B) If part of the taxpayer's property that was used in the base
 18 year to compute the taxpayer's payments to the taxing unit is not
 19 in the taxing unit or would not otherwise be the basis for
 20 taxpayer payments to the taxing unit in the current year, reduce
 21 the amount determined in this STEP to reflect the removal of the
 22 property.

23 (C) If the taxpayer's property used to compute the property taxes
 24 or payments in lieu of property taxes paid in the base year is
 25 depreciable property that would have had a lower assessed value
 26 in the current year, reduce the amount determined in this STEP
 27 to reflect the lower amount of property taxes or payments in lieu
 28 of property taxes that the taxpayer would have paid in the current
 29 year for the same property.

30 STEP TWO: Determine the current levy using the tax rate used for
 31 the base year as follows:

32 (A) Determine the assessed value of all taxable property on
 33 which property taxes will be collected:

34 (i) in the current year; and

35 (ii) for the smaller of the geographic area in which the taxing
 36 unit imposed property taxes for collection in the base year or
 37 the geographic area in which the taxing unit imposes property
 38 taxes in the current year.

39 If a general reassessment has become effective in a year after the
 40 base year, adjust the assessed value determined in this clause to
 41 neutralize the effects of reassessment. **If an annual assessed**
 42 **value adjustment under IC 6-1.1-4-4.5 has become effective**

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1 **in a year after the base year, adjust the assessed value**
 2 **determined in this clause to neutralize the inflationary effects**
 3 **of annual assessed value adjustment.**

4 (B) Multiply the assessed value determined for the current year
 5 under clause (A) by the tax rate for the fund in the base year.

6 (C) Divide the result under clause (B) by one hundred (100).

7 (D) Subtract the amount of any:

8 (i) property tax payment; or

9 (ii) payment in lieu of property taxes;

10 made by the taxpayer to the fund for the current year that is not
 11 included in the amount determined under clause (C).

12 STEP THREE: Determine the greater of the following:

13 (A) Zero (0).

14 (B) The result of the STEP ONE amount minus the STEP TWO
 15 amount.

16 SECTION 13. IC 6-1.1-39-5 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.

18 5. (a) A declaratory ordinance adopted under section 2 of this chapter
 19 and confirmed under section 3 of this chapter must include a provision
 20 with respect to the allocation and distribution of property taxes for the
 21 purposes and in the manner provided in this section. The allocation
 22 provision must apply to the entire economic development district. The
 23 allocation provisions must require that any property taxes subsequently
 24 levied by or for the benefit of any public body entitled to a distribution
 25 of property taxes on taxable property in the economic development
 26 district be allocated and distributed as follows:

27 (1) Except as otherwise provided in this section, the proceeds of
 28 the taxes attributable to the lesser of:

29 (A) the assessed value of the property for the assessment date
 30 with respect to which the allocation and distribution is made; or

31 (B) the base assessed value;

32 shall be allocated to and, when collected, paid into the funds of the
 33 respective taxing units. However, if the effective date of the
 34 allocation provision of a declaratory ordinance is after March 1,
 35 1985, and before January 1, 1986, and if an improvement to
 36 property was partially completed on March 1, 1985, the unit may
 37 provide in the declaratory ordinance that the taxes attributable to
 38 the assessed value of the property as finally determined for March
 39 1, 1984, shall be allocated to and, when collected, paid into the
 40 funds of the respective taxing units.

41 (2) Except as otherwise provided in this section, part or all of the
 42 property tax proceeds in excess of those described in subdivision

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(1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

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(f) The state board of accounts and ~~state board department of tax commissioners~~ **local government finance** shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the ~~state board department of tax commissioners~~ **local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. **After each annual assessed value adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize the inflationary effect of the annual assessed value adjustment on the property tax proceeds allocated to the district under this section.** However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

- (1) taxes imposed under this article on real property; and
- (2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the ~~state board department of tax commissioners~~ **local government finance**, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 14. IC 6-1.1-42-28, AS AMENDED BY P.L.119-1999, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



MARCH 1, 2002 (RETROACTIVE)]: Sec. 28. (a) Subject to this section, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by

(2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the



general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

(A) has an ownership interest in an entity that contributed; or

(B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

(5) If an annual assessed value adjustment is made under IC 6-1.1-4-4.5 within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the increase or decrease in assessed valuation that resulted from the annual assessed value adjustment.

The state board department of tax commissioners local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

SECTION 15. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]:

Chapter 44. Adjustment of Maximum Tax Rates After Reassessment

Sec. 1. This chapter applies to the following:

(1) A maximum ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation that is imposed by statute and is not subject to the levy limits imposed by IC 6-1.1-18.5-3 or IC 6-1.1-19-1.5 or limited by the assessed value growth quotient determined under IC 6-1.1-18.5-2.

(2) A maximum authorized transfer of money from one (1) fund to another or a maximum authorized appropriation for a particular purpose that is determined by an ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation set by statute.

(3) A transfer of money from one (1) fund to another or an appropriation for a particular purpose that is required by statute and determined by an ad valorem property tax rate

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per one hundred dollars (\$100) of assessed valuation set by statute.

(4) A distribution of money to a taxing unit that is computed with reference to an ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation set by statute.

Sec. 2. The department of local government finance shall adjust the maximum ad valorem property tax rate levied under a statute each time that:

- (1) a general reassessment of property takes effect; and
- (2) assessed values are adjusted under IC 6-1.1-4-4.5.

Sec. 3. The new maximum rate under a statute after an adjustment under section 2(1) of this chapter is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the taxing unit levying an ad valorem property tax under a statute for the year preceding the year in which the general reassessment takes effect. If the tax rate has previously been adjusted under this chapter or under another statute requiring the statutory rate to be adjusted to neutralize the effects of reassessment, the rate under this STEP is the most recently adjusted maximum tax rate in effect for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective. For assessment dates after 2005, the determination under this STEP shall be made using the unadjusted assessed value (as defined in IC 6-1.1-18.5-1) for the year preceding the year the general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year. For assessment dates after 2005, the determination under this STEP shall be made using the unadjusted assessed value (as defined in IC 6-1.1-18.5-1) for

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the year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

Sec. 4. The new maximum rate under a statute after an adjustment under section 2(2) of this chapter is the tax rate determined under STEP FOUR of the following formula:

STEP ONE: Determine the maximum rate for the taxing unit levying an ad valorem property tax under a statute for the immediately preceding year in which the general reassessment takes effect. If the tax rate has previously been adjusted under this chapter or under another statute requiring the statutory rate to be adjusted to neutralize the effects of reassessment, the rate under this STEP is the most recently adjusted maximum tax rate in effect for the immediately preceding year.

STEP TWO: Determine the percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the immediately preceding year. For assessment dates after 2005, the determination under this STEP for a year in which the immediately preceding year is not a reassessment year shall be made using the adjusted assessed value for the year determined under IC 6-1.1-4-4.5.

STEP THREE: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage.

STEP FOUR: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

Sec. 5. The department of local government finance shall provide the new maximum rate determined under section 4 of this chapter to:

- (1) each taxing unit with authority to levy the new maximum ad valorem property tax rate;
- (2) the county auditor for each county in which the taxing unit



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1 is located; and

2 **(3) if the tax rate affects a distribution from the state, the state**
 3 **agency authorized to make the distribution.**

4 SECTION 16. IC 8-16-3-3 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 6 3. (a) To provide for the cumulative bridge fund, county executives and
 7 municipal legislative bodies may levy a tax in compliance with
 8 IC 6-1.1-41 not to exceed ten cents (\$0.10) on each one hundred dollars
 9 (\$100) assessed valuation of all taxable personal and real property
 10 within the county or municipality, **as adjusted under IC 6-1.1-44.**

11 (b) The tax, when collected, shall be held in a special fund to be
 12 known as the bridge fund.

13 (c) An appropriation from the bridge fund may be made without the
 14 approval of the ~~state board~~ **department of tax commissioners local**
 15 **government finance** if:

16 (1) the county executive requests the appropriation; and

17 (2) the appropriation is for the purpose of constructing,
 18 maintaining, or repairing bridges, approaches, or grade
 19 separations.

20 SECTION 17. IC 8-16-3.1-4 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 22 4. (a) The executive of any eligible county may provide a major bridge
 23 fund in compliance with IC 6-1.1-41 to make available funding for the
 24 construction of major bridges.

25 (b) The executive of any eligible county may levy a tax in
 26 compliance with IC 6-1.1-41 not to exceed ten cents (\$0.10) on each
 27 one hundred dollars (\$100) assessed valuation of all taxable personal
 28 and real property within the county to provide for the major bridge
 29 fund, **as adjusted under IC 6-1.1-44.**

30 SECTION 18. IC 8-22-3-11, AS AMENDED BY P.L.98-2001,
 31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 MARCH 1, 2002 (RETROACTIVE)]: Sec. 11. The board may do all
 33 acts necessary or reasonably incident to carrying out the purposes of
 34 this chapter, including the following:

35 (1) As a municipal corporation, to sue and be sued in its own
 36 name.

37 (2) To have all the powers and duties conferred by statute upon
 38 boards of aviation commissioners. The board supersedes all
 39 boards of aviation commissioners within the district. The board
 40 has exclusive jurisdiction within the district.

41 (3) To protect all property owned or managed by the board.

42 (4) To adopt an annual budget and levy taxes in accordance with

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1 this chapter.

2 (A) The board may not levy taxes on property in excess of the
3 following rate schedule, **as adjusted under IC 6-1.1-44**,
4 except as provided in sections 17 and 25 of this chapter:

5 Total Assessed	Rate Per \$100 Of
6 Property Valuation	Assessed Valuation
7 \$300 million or less	\$0.10
8 More than \$300 million	
9 but not more than \$450 million	\$0.0833
10 More than \$450 million	
11 but not more than \$600 million	\$0.0667
12 More than \$600 million	
13 but not more than \$900 million	\$0.05
14 More than \$900 million	\$0.0333

15 (B) Clause (A) does not apply to an authority that was
16 established under IC 19-6-2 or IC 19-6-3 (before their repeal on
17 April 1, 1980).

18 (C) The board of an authority that was established under
19 IC 19-6-3 (before its repeal on April 1, 1980) may levy taxes on
20 property not in excess of six and sixty-seven hundredths cents
21 (\$0.0667) on each one hundred dollars (\$100) of assessed
22 valuation, **as adjusted under IC 6-1.1-44**.

23 (5) To incur indebtedness in the name of the authority in
24 accordance with this chapter.

25 (6) To adopt administrative procedures, rules, and regulations.

26 (7) To acquire property, real, personal, or mixed, by deed,
27 purchase, lease, condemnation, or otherwise and dispose of it for
28 use or in connection with or for administrative purposes of the
29 airport; to receive gifts, donations, bequests, and public trusts and
30 to agree to conditions and terms accompanying them and to bind
31 the authority to carry them out; to receive and administer federal
32 or state aid; and to erect buildings or structures that may be needed
33 to administer and carry out this chapter.

34 (8) To determine matters of policy regarding internal organization
35 and operating procedures not specifically provided for otherwise.

36 (9) To adopt a schedule of reasonable charges and to collect them
37 from all users of facilities and services within the district.

38 (10) To purchase supplies, materials, and equipment to carry out
39 the duties and functions of the board in accordance with
40 procedures adopted by the board.

41 (11) To employ personnel that are necessary to carry out the duties,
42 functions, and powers of the board.



(12) To establish an employee pension plan. The board may, upon due investigation, authorize and begin a fair and reasonable pension or retirement plan and program for personnel, the cost to be borne by either the authority or by the employee or by both, as the board determines. If the authority was established under IC 19-6-2 (before its repeal on April 1, 1980), the entire cost must be borne by the authority, and ordinances creating the plan or making changes in it must be approved by the mayor of the city. The plan may be administered and funded by a trust fund or by insurance purchased from an insurance company licensed to do business in Indiana or by a combination of them. The board may also include in the plan provisions for life insurance, disability insurance, or both.

(13) To sell surplus real or personal property in accordance with law. If the board negotiates an agreement to sell trees situated in woods or forest areas owned by the board, the trees are considered to be personal property of the board for severance or sale.

(14) To adopt and use a seal.

(15) To acquire, establish, construct, improve, equip, maintain, control, lease, and regulate municipal airports, landing fields, and other air navigation facilities, either inside or outside the district; to acquire by lease (with or without the option to purchase) airports, landing fields, or navigation facilities, and any structures, equipment, or related improvements; and to erect, install, construct, and maintain at the airport or airports facilities for the servicing of aircraft and for the comfort and accommodation of air travelers and the public. The Indiana department of transportation must grant its approval before land may be purchased for the establishment of an airport or landing field and before an airport or landing field may be established.

(16) To fix and determine exclusively the uses to which the airport lands may be put. All uses must be necessary or desirable to the airport or the aviation industry and must be compatible with the uses of the surrounding lands as far as practicable.

(17) To elect a secretary from its membership, or to employ a secretary, an airport director, superintendents, managers, a treasurer, engineers, surveyors, attorneys, clerks, guards, mechanics, laborers, and all employees the board considers expedient, and to prescribe and assign their respective duties and authorities and to fix and regulate the compensation to be paid to the persons employed by it in accordance with the authority's appropriations. All employees shall be selected irrespective of their

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political affiliations.

(18) To make all rules and regulations, consistent with laws regarding air commerce, for the management and control of its airports, landing fields, air navigation facilities, and other property under its control.

(19) To acquire by lease the use of an airport or landing field for aircraft pending the acquisition and improvement of an airport or landing field.

(20) To manage and operate airports, landing fields, and other air navigation facilities acquired or maintained by an authority; to lease all or part of an airport, landing field, or any buildings or other structures, and to fix, charge, and collect rentals, tolls, fees, and charges to be paid for the use of the whole or a part of the airports, landing fields, or other air navigation facilities by aircraft landing there and for the servicing of the aircraft; to construct public recreational facilities that will not interfere with air operational facilities; to fix, charge, and collect fees for public admissions and privileges; and to make contracts for the operation and management of the airports, landing fields, and other air navigation facilities; and to provide for the use, management, and operation of the air navigation facilities through lessees, its own employees, or otherwise. Contracts or leases for the maintenance, operation, or use of the airport or any part of it may be made for a term not exceeding fifteen (15) years and may be extended for similar terms of years, except that any parcels of the land of the airport may be leased for any use connected with the operation and convenience of the airport for an initial term not exceeding forty (40) years and may be extended for a period not to exceed ten (10) years. If a person whose character, experience, and financial responsibility has been determined satisfactory by the board offers to erect a permanent structure that facilitates and is consistent with the operation, use, and purpose of the airport on land belonging to the airport, a lease may be entered into for a period not to exceed ninety-nine (99) years. However, the board must pass an ordinance to enter into such a lease. The board may not grant an exclusive right for the use of a landing area under its jurisdiction. However, this does not prevent the making of leases in accordance with other provisions of this chapter. All contracts and leases are subject to restrictions and conditions that the board prescribes. The authority may lease its property and facilities for any commercial or industrial use it considers necessary and proper, including the use of providing airport motel facilities.

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- 1 (21) To sell machinery, equipment, or material that is not required
- 2 for aviation purposes. The proceeds shall be deposited with the
- 3 treasurer of the authority.
- 4 (22) To negotiate and execute contracts for sale or purchase, lease,
- 5 personal services, materials, supplies, equipment, or any other
- 6 transaction or business relative to an airport under the board's
- 7 control and operation. However, whenever the board determines to
- 8 sell part or all of aviation lands, buildings, or improvements owned
- 9 by the authority, the sale must be in accordance with law.
- 10 (23) To vacate all or parts of roads, highways, streets, or alleys,
- 11 whether inside or outside the district, in the manner provided by
- 12 statute.
- 13 (24) To annex lands to itself if the lands are owned by the authority
- 14 or are streets, roads, or other public ways.
- 15 (25) To approve any state, county, city, or other highway, road,
- 16 street or other public way, railroad, power line, or other
- 17 right-of-way to be laid out or opened across an airport or in such
- 18 proximity as to affect the safe operation of the airport.
- 19 (26) To construct drainage and sanitary sewers with connections
- 20 and outlets as are necessary for the proper drainage and
- 21 maintenance of an airport or landing field acquired or maintained
- 22 under this chapter, including the necessary buildings and
- 23 improvements and for the public use of them in the same manner
- 24 that the authority may construct sewers and drains. However, with
- 25 respect to the construction of drains and sanitary sewers beyond
- 26 the boundaries of the airport or landing field, the board shall
- 27 proceed in the same manner as private owners of property and may
- 28 institute proceedings and negotiate with the departments, bodies,
- 29 and officers of an eligible entity to secure the proper orders and
- 30 approvals; and to order a public utility or public service
- 31 corporation or other person to remove or to install in underground
- 32 conduits wires, cables, and power lines passing through or over the
- 33 airport or landing field or along the borders or within a reasonable
- 34 distance that may be determined to be necessary for the safety of
- 35 operations, upon payment to the utility or other person of due
- 36 compensation for the expense of the removal or reinstallation. The
- 37 board must consent before any franchise may be granted by state
- 38 or local authorities for the construction of or maintenance of
- 39 railway, telephone, telegraph, electric power, pipe, or conduit line
- 40 upon, over, or through land under the control of the board or within
- 41 a reasonable distance of land that is necessary for the safety of
- 42 operation. The board must also consent before overhead electric

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power lines carrying a voltage of more than four thousand four hundred (4,400) volts and having poles, standards, or supports over thirty (30) feet in height within one-half (1/2) mile of a landing area acquired or maintained under this chapter may be installed.

(27) To contract with any other state agency or instrumentality or any political subdivision for the rendition of services, the rental or use of equipment or facilities, or the joint purchase and use of equipment or facilities that are necessary for the operation, maintenance, or construction of an airport operated under this chapter.

(28) To provide air transportation in furtherance of the duties and responsibilities of the board.

(29) To promote or encourage aviation-related trade or commerce at the airports that it operates.

SECTION 19. IC 8-22-3-25, AS AMENDED BY P.L.1-1999, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 25. (a) The board may provide a cumulative building fund in compliance with IC 6-1.1-41 to provide for the acquisition of real property, and the construction, enlarging, improving, remodeling, repairing, or equipping of buildings, structures, runways, or other facilities for use in connection with the airport, and needed to carry out this chapter.

(b) The board may levy in compliance with IC 6-1.1-41 a tax not to exceed:

(1) thirty-three hundredths of one cent (\$0.0033) on each one hundred dollars (\$100) of assessed value of taxable property within the district, **as adjusted under IC 6-1.1-44**, if an eligible entity other than a city established the district or if the district was established jointly with an eligible entity that is not a city;

(2) one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of assessed value of taxable property within the district, **as adjusted under IC 6-1.1-44**, if the authority was established under IC 19-6-3 (before its repeal on April 1, 1980); and

(3) for any other district not described in subdivision (1) or (2), the following, **as adjusted under IC 6-1.1-44**:

Total Assessed Property Valuation	Rate Per \$100 Of Assessed Valuation
\$300 million or less	\$0.0167
More than \$300 million but not more than \$450 million	\$0.0133
More than \$450 million	



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1 but not more than \$600 million \$0.01
 2 More than \$600 million
 3 but not more than \$900 million \$0.0067
 4 More than \$900 million \$0.0033
 5 As the tax is collected it may be invested in negotiable United States
 6 bonds or other securities that the federal government has the direct
 7 obligation to pay. Any of the funds collected that are not invested in
 8 government obligations shall be deposited in accordance with
 9 IC 5-13-6 and shall be withdrawn in the same manner as money is
 10 regularly withdrawn from the general fund but without further or
 11 additional appropriation. The levy authorized by this section is in
 12 addition to the levies authorized by ~~section 11~~ **sections 11** and ~~section~~
 13 **23** of this chapter.
 14 SECTION 20. IC 8-22-3.5-11 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 16 11. (a) The state board of accounts and ~~state board~~ **department of tax**
 17 ~~commissioners local government finance~~ shall make the rules and
 18 prescribe the forms and procedures that the state board of accounts and
 19 ~~state board~~ **department of tax commissioners local government**
 20 **finance** consider appropriate for the implementation of this chapter.
 21 (b) After each general reassessment under IC 6-1.1-4, the ~~state~~
 22 ~~board~~ **department of tax commissioners local government finance**
 23 shall adjust the base assessed value (as defined in section 9 of this
 24 chapter) one (1) time to neutralize any effect of the general
 25 reassessment on the property tax proceeds allocated to the airport
 26 development zone's special funds under section 9 of this chapter. **After**
 27 **each annual assessed value adjustment under IC 6-1.1-4-4.5, the**
 28 **department of local government finance shall adjust the base**
 29 **assessed value (as defined in section 9 of this chapter) to neutralize**
 30 **the inflationary effect of the annual assessed value adjustment on**
 31 **the property tax proceeds allocated to the airport development**
 32 **zone's special funds under section 9 of this chapter.**
 33 SECTION 21. IC 12-20-23-2 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 35 2. A county may not borrow money to provide an advancement to a
 36 township unless the township has a township poor relief ad valorem
 37 property tax rate of at least one and sixty-seven hundredths cents
 38 (\$0.0167) per one hundred dollars (\$100) of assessed valuation, **as**
 39 **adjusted under IC 6-1.1-44.**
 40 SECTION 22. IC 12-29-2-2 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 42 2. (a) Subject to subsection (b), a county shall fund the operation of

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community mental health centers in an amount not less than the amount that would be raised by an annual tax rate of one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of taxable property within the county, unless a lower tax rate will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

(1) If the total population of the county is served by one (1) center.

(2) If the total population of the county is served by more than one (1) center.

(3) If the partial population of the county is served by one (1) center.

(4) If the partial population of the county is served by more than one (1) center.

(b) ~~This subsection applies only to a property tax that is imposed in a county having a population of more than seven hundred thousand (700,000).~~ The tax rate permitted under subsection (a) for taxes first due and payable after calendar year ~~1995~~ **2002** is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which a general reassessment of property will take effect **and each year that an annual assessed value adjustment under IC 6-1.1-4-4.5 takes effect,** the ~~state board of~~ **department of tax commissioners local government finance** shall ~~compute~~ **recompute** the maximum rate permitted under subsection (a) as follows:

~~STEP ONE: Determine the maximum rate for the year preceding the year in which the general reassessment takes effect.~~

~~STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.~~

~~STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.~~

~~STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent) in the assessed value of the taxable property from the preceding year.~~

~~STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).~~

~~STEP SIX: Determine the greater of the following:~~

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1 (A) Zero (0):

2 (B) The result of the STEP TWO percentage minus the STEP
3 FIVE percentage:

4 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
5 divided by one (1) plus the STEP SIX percentage increase:

6 This maximum rate is the maximum rate under this section until a new
7 maximum rate is computed under this subsection for the next year in
8 which a general reassessment of property will take effect: **under**
9 **IC 6-1.1-44.**

10 SECTION 23. IC 13-21-3-12, AS AMENDED BY P.L.225-2001,
11 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 MARCH 1, 2002 (RETROACTIVE)]: Sec. 12. Except as provided in
13 section 14.5 of this chapter, the powers of a district include the
14 following:

15 (1) The power to develop and implement a district solid waste
16 management plan under IC 13-21-5.

17 (2) The power to impose district fees on the final disposal of solid
18 waste within the district under IC 13-21-13.

19 (3) The power to receive and disburse money, if the primary
20 purpose of activities undertaken under this subdivision is to carry
21 out the provisions of this article.

22 (4) The power to sue and be sued.

23 (5) The power to plan, design, construct, finance, manage, own,
24 lease, operate, and maintain facilities for solid waste
25 management.

26 (6) The power to enter with any person into a contract or an
27 agreement that is necessary or incidental to the management of
28 solid waste. Contracts or agreements that may be entered into
29 under this subdivision include those for the following:

30 (A) The design, construction, operation, financing, ownership,
31 or maintenance of facilities by the district or any other person.

32 (B) The managing or disposal of solid waste.

33 (C) The sale or other disposition of materials or products
34 generated by a facility.

35 Notwithstanding any other statute, the maximum term of a
36 contract or an agreement described in this subdivision may not
37 exceed forty (40) years.

38 (7) The power to enter into agreements for the leasing of facilities
39 in accordance with IC 36-1-10 or IC 36-9-30.

40 (8) The power to purchase, lease, or otherwise acquire real or
41 personal property for the management or disposal of solid waste.

42 (9) The power to sell or lease any facility or part of a facility to

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any person.

(10) The power to make and contract for plans, surveys, studies, and investigations necessary for the management or disposal of solid waste.

(11) The power to enter upon property to make surveys, soundings, borings, and examinations.

(12) The power to:

(A) accept gifts, grants, loans of money, other property, or services from any source, public or private; and

(B) comply with the terms of the gift, grant, or loan.

(13) The power to levy a tax within the district to pay costs of operation in connection with solid waste management, subject to the following:

(A) Regular budget and tax levy procedures.

(B) Section 16 of this chapter.

However, except as provided in section 15 of this chapter, a property tax rate imposed under this article may not exceed eight and thirty-three hundredths cents (\$0.0833) on each one hundred dollars (\$100) of assessed valuation of property, **as adjusted under IC 6-1.1-44**, in the district.

(14) The power to borrow in anticipation of taxes.

(15) The power to hire the personnel necessary for the management or disposal of solid waste in accordance with an approved budget and to contract for professional services.

(16) The power to otherwise do all things necessary for the:

(A) reduction, management, and disposal of solid waste; and

(B) recovery of waste products from the solid waste stream; if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(17) The power to adopt resolutions that have the force of law. However, a resolution is not effective in a municipality unless the municipality adopts the language of the resolution by ordinance or resolution.

(18) The power to do the following:

(A) Implement a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project.

(B) Apply for a household hazardous waste collection and disposal project grant under IC 13-20-20 and carry out all commitments contained in a grant application.

(C) Establish and maintain a program of self-insurance for a household hazardous waste and conditionally exempt small

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1 quantity generator (as described in 40 CFR 261.5(a))
 2 collection and disposal project, so that at the end of the
 3 district's fiscal year the unused and unencumbered balance of
 4 appropriated money reverts to the district's general fund only
 5 if the district's board specifically provides by resolution to
 6 discontinue the self-insurance fund.

7 (D) Apply for a household hazardous waste project grant as
 8 described in IC 13-20-22-2 and carry out all commitments
 9 contained in a grant application.

10 (19) The power to enter into an interlocal cooperation agreement
 11 under IC 36-1-7 to obtain:

- 12 (A) fiscal;
- 13 (B) administrative;
- 14 (C) managerial; or
- 15 (D) operational;

16 services from a county or municipality.

17 (20) The power to compensate advisory committee members for
 18 attending meetings at a rate determined by the board.

19 (21) The power to reimburse board and advisory committee
 20 members for travel and related expenses at a rate determined by
 21 the board.

22 (22) In a joint district, the power to pay a fee from district money
 23 to the counties in the district in which a final disposal facility is
 24 located.

25 (23) The power to make grants or loans of:

- 26 (A) money;
- 27 (B) property; or
- 28 (C) services;

29 to public or private recycling programs, composting programs, or
 30 any other programs that reuse any component of the waste stream
 31 as a material component of another product, if the primary
 32 purpose of activities undertaken under this subdivision is to carry
 33 out the provisions of this article.

34 (24) The power to establish by resolution a nonreverting capital
 35 fund. A district's board may appropriate money in the fund for:

- 36 (A) equipping;
- 37 (B) expanding;
- 38 (C) modifying; or
- 39 (D) remodeling;

40 an existing facility. Expenditures from a capital fund established
 41 under this subdivision must further the goals and objectives
 42 contained in a district's solid waste management plan. Not more

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than five percent (5%) of the district's total annual budget for the year may be transferred to the capital fund that year. The balance in the capital fund may not exceed twenty-five percent (25%) of the district's total annual budget. If a district's board determines by resolution that a part of a capital fund will not be needed to further the goals and objectives contained in the district's solid waste management plan, that part of the capital fund may be transferred to the district's general fund, to be used to offset tipping fees, property tax revenues, or both tipping fees and property tax revenues.

(25) The power to conduct promotional or educational programs that include giving awards and incentives that further the district's solid waste management plan.

(26) The power to conduct educational programs under IC 13-20-17.5 to provide information to the public concerning:

(A) the reuse and recycling of mercury in:

- (i) mercury commodities; and
- (ii) mercury-added products; and

(B) collection programs available to the public for:

- (i) mercury commodities; and
- (ii) mercury-added products.

(27) The power to implement mercury collection programs under IC 13-20-17.5 for the public and small businesses.

SECTION 24. IC 13-21-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 15. (a) A district located in a county having a population of more than ~~thirty-one thousand five hundred (31,500)~~ but less than ~~thirty-two thousand (32,000)~~ **thirty-two thousand (32,000) but less than thirty-three thousand (33,000)** may appeal to the ~~state board department of tax commissioners~~ **local government finance** to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district establishes that all of the following conditions exist:

- (1) The district is in the process of constructing a landfill.
- (2) A higher property tax rate is necessary to pay the fees charged by out of county landfills to dispose of solid waste generated in the district during the design and construction phases of the landfill being established by the district.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section. Any additional levy granted under this section:

- (1) is not part of the total county tax levy (as defined in



1 IC 6-1.1-21-2); and

2 (2) may not exceed seven and thirty-three hundredths cents
3 (\$0.0733) on each one hundred dollars (\$100) of assessed
4 valuation of property in the district, **as adjusted under**
5 **IC 6-1.1-44.**

6 (c) The ~~state board~~ **department of tax commissioners local**
7 **government finance** shall establish the tax rate if a higher tax rate is
8 permitted.

9 (d) A property tax rate imposed under this section expires not later
10 than December 31, 1997.

11 SECTION 25. IC 14-33-7-3 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
13 3. In all districts described in IC 14-33-9-4, the special benefits tax rate
14 may not exceed six and sixty-seven hundredths cents (\$0.0667) on each
15 one hundred dollars (\$100) of assessed valuation of property in the
16 taxing district, **as adjusted under IC 6-1.1-44.**

17 SECTION 26. IC 15-1-6-2 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
19 2. (a) Whenever the president or secretary of any such society or
20 organization shall file with the county auditor of any county, a petition
21 signed by thirty (30) or more resident freeholders of such county,
22 requesting the board of commissioners to make any allowance provided
23 for in section 1 of this chapter, the county auditor shall cause such
24 petition, without the signatures attached thereto, to be published in a
25 newspaper of general circulation printed and published in the county,
26 and said auditor shall in said notice give the time when such petition
27 will be considered by the board of county commissioners, which time
28 shall be fixed by the auditor for not less than thirty (30) days after the
29 publication of such notice. If on or before the time fixed in said notice
30 for the consideration of said petition by the board of county
31 commissioners, a remonstrance signed by more resident freeholders of
32 the county than the number signing the petition shall be filed with the
33 county auditor protesting the making of the allowance as petitioned for,
34 the said board shall consider such remonstrance and if it finds that it is
35 signed by a greater number of resident freeholders than the petition
36 asking for an allowance, the board of county commissioners shall have
37 no authority to make an allowance for such purpose and shall dismiss
38 said petition and take no further action thereon.

39 (b) Any such petition, after final acceptance by the board of county
40 commissioners, shall be effective for one (1) or more years, such time
41 to be determined by the board, but in no event for a longer period of
42 time than five (5) years.

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(c) The county council shall have the power and authority to levy an annual tax of not to exceed three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**, for the purpose of constructing, operating, or maintaining any building owned and operated by such agricultural association. Provided, however, that such tax may be levied only until the building has been constructed and in no event for a longer period of time than five (5) years. After the building has been constructed the county council may levy an annual tax of not to exceed sixty-seven hundredths of one cent (\$0.0067) on each one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**, for the purpose of operating and maintaining such building.

(d) Any agricultural association shall have the power and authority to solicit and accept contributions of any kind or nature for the development and maintenance of any of their projects.

SECTION 27. IC 15-1.5-8-1, AS AMENDED BY P.L.198-2001, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 1. A tax is imposed upon all the taxable property in the state at a rate of eleven hundredths of a cent (\$0.0011) for each one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**.

SECTION 28. IC 16-20-2-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 18. (a) This section applies to a county having a population of more than one hundred ~~twenty-nine~~ **forty-eight** thousand ~~(129,000)~~ **(148,000)** but less than one hundred ~~thirty~~ **seventy** thousand ~~six hundred (130,600); (170,000).~~

(b) Each year the county fiscal officer shall transfer to the community health clinic located in the county an amount equal to the revenue raised from a property tax rate of one hundred sixty-seven thousandths of one cent (\$0.00167) for each one hundred dollars (\$100) of assessed valuation of the taxable property in the county, **as adjusted under IC 6-1.1-44**.

(c) The transfer shall be made in four (4) equal installments before the end of January, April, July, and October. The transfer shall be made without the necessity of an appropriation.

SECTION 29. IC 16-20-4-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.

27. (a) This section applies to each city having a population of:

- (1) more than ~~twenty-five~~ **twenty-eight** thousand ~~five seven~~ hundred ~~(25,500)~~ **(28,700)** but less than ~~twenty-six~~ **twenty-nine** thousand ~~(26,000); (29,000);~~ or

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(2) more than ~~forty-three~~ **fifty-five** thousand ~~seven hundred~~
~~(43,700)~~ **(55,000)** but less than ~~forty-four~~ **fifty-nine** thousand
~~(44,000)~~ **(59,000)**.

(b) Each year the fiscal officer of each city shall transfer to the community health clinic located in the county in which the city is located an amount equal to the revenue raised from a property tax rate of sixty-seven hundredths of one cent (\$0.0067) for each one hundred dollars (\$100) of assessed valuation of the taxable property in the city, **as adjusted under IC 6-1.1-44.**

(c) The transfer shall be made in four (4) equal installments before the end of January, April, July, and October. The transfer shall be made without the necessity of an appropriation.

SECTION 30. IC 16-22-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 4. To provide for the cumulative building fund, a tax on all taxable property within the county may be levied annually for not more than twelve (12) years and may not exceed eleven and sixty-seven hundredths cents (\$0.1167) on each one hundred dollars (\$100) of assessed valuation of property in the county, **as adjusted under IC 6-1.1-44.**

SECTION 31. IC 16-23-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 2. The township board may, at the request of the township trustee, levy annually and cause to be collected as other taxes are collected a tax upon all of the taxable property within the township. The tax may not exceed six and sixty-seven hundredths cents (\$0.0667) on each one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44.** The tax is for the use of the hospital in defraying the expenses of the hospital's maintenance and support, for providing necessary additions, and for the payment of mortgage indebtedness.

SECTION 32. IC 16-35-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 3. (a) ~~For taxes first due and payable in 1992, each county must impose a children with special health care needs property tax levy equal to the amount determined using the following formula:~~

STEP ONE: Determine the sum of the amounts that were paid by the county minus the amounts reimbursed by the state (including reimbursements made with federal money); as determined by the state board of accounts, in 1988, 1989, and 1990 for the following:

(A) Payments for administrative expenses of the county office of family and children in the administration of the children

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1 with special health care needs program.

2 (B) Payment for the facilities, supplies, and equipment needed

3 for the children with special health care needs program as

4 operated by the county office of family and children.

5 (C) Payment of all other expenses under the children with

6 special health care needs program that were paid by the county

7 office of family and children.

8 STEP TWO: Subtract from the amount determined in STEP ONE

9 the sum of the miscellaneous taxes that were allocated to:

10 (A) the county welfare administration fund and used to pay

11 expenses for administration, facilities, supplies, and equipment

12 for the children with special health care needs program in

13 1988, 1989, and 1990; and

14 (B) the county welfare fund and used to pay all other costs of

15 the children with special health care needs program in 1988,

16 1989, and 1990.

17 STEP THREE: Divide the amount determined in STEP TWO by

18 three (3).

19 STEP FOUR: Calculate the STEP ONE amount and the STEP

20 TWO amount for 1990 expenses only.

21 STEP FIVE: Adjust the amounts determined in STEP THREE and

22 STEP FOUR by the amount determined by the state board of tax

23 commissioners under subsection (c).

24 STEP SIX: Determine whether the amount calculated in STEP

25 THREE, as adjusted in STEP FIVE, or the amount calculated in

26 STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the

27 greater amount by the greater of:

28 (A) the assessed value growth quotient determined under

29 IC 6-1.1-18.5-2 for the county for property taxes first due and

30 payable in 1992; or

31 (B) the statewide average assessed value growth quotient

32 using the county assessed value growth quotients determined

33 under IC 6-1.1-18.5-2 for property taxes first due and payable

34 in 1992.

35 STEP SEVEN: Multiply the amount determined in STEP SIX by

36 the county's assessed value growth quotient for property taxes first

37 due and payable in 1992, as determined under IC 6-1.1-18.5-2.

38 (b) (a) For taxes first due and payable in each year after 1992, each

39 county shall impose a children with special health care needs property

40 tax levy equal to the product of:

41 (1) the children with special health care needs property tax levy

42 imposed for taxes first due and payable in the preceding year;

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multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section:

(c) For taxes first due and payable in 1992 and in 1993, the state board of tax commissioners shall adjust the levy for each county to reflect the county's actual welfare expenses for administration, facilities, supplies, equipment, and all other costs for the children with special health care needs program in 1988, 1989, and 1990. In making this adjustment, the state board of tax commissioners may consider all relevant information. This includes the county's use of bond and loan proceeds to pay these expenses.

(d) (b) The state board department of tax commissioners local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 33. IC 16-41-33-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 4. The county fiscal body or the governing board of a health and hospital corporation may, on the fiscal body's or board of trustees' own initiative or after a petition signed by five percent (5%) of the registered voters within the jurisdiction of the health department, make an annual appropriation specifically for the purpose of vector control to be used by the health department solely for that purpose and levy a tax of not more than sixty-seven hundredths of one cent (\$0.0067) on each one hundred dollars (\$100) of assessed value of taxable property in the county, **as adjusted under IC 6-1.1-44.**

SECTION 34. IC 20-5-17.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 2. (a) This subsection does not apply to a school corporation in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000). The governing body of a school corporation may annually appropriate, from its general fund, a sum of not more than five-tenths of one cent (\$0.005) on each one hundred dollars (\$100) of assessed valuation in

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the school corporation to be paid to a historical society, subject to subsection (c).

(b) This subsection applies only to a school corporation in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000). To provide funding for a historical society under this section, the governing body of a school corporation may impose a tax of not more than five-tenths of one cent (\$0.005) on each one hundred dollars (\$100) of assessed valuation in the school corporation, **as adjusted under IC 6-1.1-44**. This tax is not subject to the tax levy limitations imposed on the school corporation by IC 6-1.1-19-1.5 or the provisions of IC 21-2-11-8. The school corporation shall deposit the proceeds of the tax in a fund to be known as the historical society fund. The historical society fund is separate and distinct from the school corporation's general fund and may be used only for the purpose of providing funds for a historical society under this section. Subject to subsection (c), the governing body of the school corporation may annually appropriate the money in the fund to be paid in semiannual installments to a historical society having facilities in the county.

(c) Before a historical society may receive payments under this section, its governing board must adopt a resolution that entitles:

- (1) the governing body of the school corporation to appoint its superintendent and one (1) of its history teachers as visitors, with the privilege of attending all meetings of the society's governing board;
- (2) the governing body of the school corporation to nominate two (2) persons for membership on the society's governing board;
- (3) the school corporation to use any of the society's facilities and equipment for educational purposes consistent with the society's purposes;
- (4) the students and teachers of the school corporation to tour the society's museum, if any, free of charge; and
- (5) the school corporation to borrow artifacts from the society's collection, if any, for temporary exhibit in the schools.

SECTION 35. IC 20-5-17.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.

3. (a) This section applies to school corporations in a county containing a city having a population of:

- (1) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000);
- (2) more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

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(3) more than ~~one hundred ten~~ **ninety** thousand ~~(110,000)~~
(90,000) but less than one hundred ~~twenty~~ **five** thousand
~~(120,000); (105,000);~~

(4) more than ~~ninety~~ **one hundred five** thousand ~~(90,000)~~
(105,000) but less than one hundred ~~ten~~ **twenty** thousand
~~(110,000); (120,000);~~ or

(5) more than seventy-five thousand (75,000) but less than ninety
thousand (90,000).

(b) In order to provide funding for an art association under this
section, the governing body of a school corporation may impose a tax
of not more than five-tenths of one cent (\$0.005) on each one hundred
dollars (\$100) of assessed valuation in the school corporation, **as**
adjusted under IC 6-1.1-44. This tax is not subject to the tax levy
limitations imposed on the school corporation by IC 6-1.1-19-1.5 or the
provisions of IC 21-2-11-8.

(c) The school corporation shall deposit the proceeds of the tax
imposed under subsection (b) in a fund to be known as the art
association fund. The art association fund is separate and distinct from
the school corporation's general fund and may be used only for the
purpose of providing funds for an art association under this section.
The governing body of the school corporation may annually
appropriate the money in the fund to be paid in semiannual installments
to an art association having facilities in a city that is listed in subsection
(a), subject to subsection (d).

(d) Before an art association may receive payments under this
section, its governing board must adopt a resolution that entitles:

(1) the governing body of the school corporation to appoint its
superintendent and its director of art instruction as visitors, with
the privilege of attending all meetings of the association's
governing board;

(2) the governing body of the school corporation to nominate
persons for membership on the association's governing board,
with at least two (2) of the nominees to be elected;

(3) the school corporation to use any of the association's facilities
and equipment for educational purposes consistent with the
association's purposes;

(4) the students and teachers of the school corporation to tour the
association's museum and galleries free of charge;

(5) the school corporation to borrow materials from the
association for temporary exhibit in the schools;

(6) the teachers of the school corporation to receive normal
instruction in the fine and applied arts at half the regular rates

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1 charged by the association; and

2 (7) the school corporation to expect such exhibits in the
3 association's museum as will supplement the work of the students
4 and teachers of the corporation.

5 A copy of the resolution, certified by the president and secretary of the
6 association, must be filed in the office of the school corporation before
7 payments may be received.

8 (e) A resolution filed under subsection (d) need not be renewed
9 from year to year but continues in effect until rescinded. An art
10 association that complies with this section is entitled to continue to
11 receive payments under this section as long as it so complies.

12 (f) Whenever more than one (1) art association in a city that is listed
13 in subsection (a) qualifies to receive payments under this section, the
14 governing body of the school corporation shall select the one (1) art
15 association best qualified to perform the services described by
16 subsection (c). A school corporation may select only one (1) art
17 association to receive payments under this section.

18 SECTION 36. IC 20-5-37-4 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.

20 4. (a) The board of school trustees in a third class city may establish,
21 maintain, and equip public playgrounds to be used by children during
22 the summer vacation period. The board may use the public school
23 buildings and grounds in the cities as is necessary to carry out this
24 section. The board may levy a tax not exceeding sixty-seven
25 hundredths of one cent (\$0.0067) on each one hundred dollars (\$100)
26 of assessed valuation of the property in the city, **as adjusted under**
27 **IC 6-1.1-44**, to create a fund to carry out this section. The board may
28 lease or purchase grounds in addition to the school grounds, either
29 adjacent to the school grounds or elsewhere in the city. The board may
30 also, under eminent domain statutes, condemn ground to be used for
31 these purposes and pay for condemned ground out of the school
32 revenues of the city not otherwise appropriated.

33 (b) The board has full control of all playgrounds, including the
34 preservation of order on them, and may adopt suitable rules,
35 regulations, and bylaws for the control of them. The board may enforce
36 the rules by suitable penalties.

37 (c) The board may select and pay for directors and assistants. The
38 directors and assistants, while on duty and for the purpose of
39 preserving order and the observance of the rules, regulations, and
40 bylaws of the board, have all the powers of police officers of the city.
41 The compensation for the directors and assistants shall be fixed by the
42 board and paid for out of the school revenues not otherwise

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appropriated.

SECTION 37. IC 20-14-7-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 5.1. (a) The library board of any library established as an 1899 township library consists of the school township trustee in the township where the library is located and two (2) residents of the township, to be appointed by the board of commissioners of the county where the library is located. Appointments are for a term of four (4) years. Members of the board serve without compensation.

(b) The library board:

(1) shall control the purchase of books and the management of the library;

(2) shall possess and retain custody of any books remaining in the old township library in the township where the library is located;

(3) may receive donations, bequests, and legacies on behalf of the library; and

(4) may receive copies of all documents of the state available for distribution from the public library commission and the state librarian.

(c) The 1899 township library is the property of the school township, and the school township trustee is responsible for the safe preservation of the township library.

(d) Two (2) or more adjacent townships may unite to maintain a township library. The library is controlled by either:

(1) a combined library board, which consists of each of the uniting township boards appointed under subsection (a); or

(2) the one (1) township library board appointed under subsection (a) of the uniting townships that receives funding for the operation of the uniting township library.

(e) The legislative body of any township within which there is a library established as an 1899 township library may levy a tax annually of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property assessed for taxation in the township, **as adjusted under IC 6-1.1-44**. If the legislative body does not levy the tax, a petition signed by at least the number of registered voters required under IC 3-8-6-3 to place a candidate on the ballot may be filed with the circuit court clerk, who:

(1) shall determine if an adequate number of voters have signed the petition; and

(2) if an adequate number of voters have signed the petition, shall certify the public question to the county election board under IC 3-10-9-3. The county election board shall then cause to be

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1 printed on the ballot for the township the following question in
 2 the form prescribed by IC 3-10-9-4: "Shall a township library tax
 3 be levied?".

4 If a majority of the votes cast on this question are in the affirmative, the
 5 township trustee shall annually levy a tax of not less than one and
 6 sixty-seven hundredths cents (\$0.0167) nor more than three and
 7 thirty-three hundredths cents (\$0.0333) on each one hundred dollars
 8 (\$100) of property taxable in the township, **as adjusted under**
 9 **IC 6-1.1-44**, for the establishment and support of a township library.
 10 This township tax shall be levied, assessed, collected, and paid
 11 according to the procedure outlined in IC 6-1.1.

12 (f) The tax levy under subsection (e) shall be discontinued when the
 13 question of discontinuing this levy has been submitted to a vote
 14 according to the procedure provided in subsection (e) and the majority
 15 of the votes cast on the question is in the negative.

16 (g) If a public library that is open for the use of all the residents of
 17 the township is located in the township, then the proceeds of the tax
 18 collected under subsection (e) shall be paid to that public library.

19 (h) In any township outside a city in which there is a library:

20 (1) established by private donations of the value of ten thousand
 21 dollars (\$10,000) or more, including the real estate and buildings
 22 used for the library; and

23 (2) used for the benefit of all the inhabitants of the township;

24 the township trustee of the township shall annually levy and collect not
 25 more than two cents (\$0.02) on each one hundred dollars (\$100) upon
 26 the taxable property within the limits of the township, **as adjusted**
 27 **under IC 6-1.1-44**. This money shall be paid to the trustees of the
 28 library, to be applied by them for the purchase of books and the
 29 payment of the maintenance costs for the library. When it becomes
 30 necessary to purchase additional ground for the extension or protection
 31 of library buildings already established by private donation, the trustee,
 32 with the consent of the county legislative body, may annually levy and
 33 collect not more than one and sixty-seven hundredths cents (\$0.0167)
 34 on each one hundred dollars (\$100) of taxable property of the
 35 township, **as adjusted under IC 6-1.1-44**, for not more than three (3)
 36 years successively, to be expended by the trustees for the purchase of
 37 property and the erection and enlargement of library buildings.

38 (i) The 1899 township library is free to all the inhabitants of the
 39 township.

40 SECTION 38. IC 20-14-7-6 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.

42 6. (a) For any public library established:

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- (1) by private donation;
- (2) in a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);
- (3) that contains at least twenty-five thousand (25,000) volumes;
- (4) that has real property valued at at least one hundred thousand dollars (\$100,000); and
- (5) that is open and free to the residents of the city;

a tax shall be levied and collected annually by the city according to IC 6-1.1.

(b) The city legislative body shall levy the tax required under subsection (a) in an amount not less than sixty-seven hundredths of one cent (\$0.0067) nor more than one and sixty-seven hundredths cents (\$0.0167) upon each one hundred dollars (\$100) of the assessed valuation of all the real and personal property in the city, **as adjusted under IC 6-1.1-44**. When the city levies this tax, it shall be treated as if it was a public library for purposes of IC 6-1.1-18.5-13, and it may increase its levy to the same extent as a public library under that section.

(c) The tax shall be paid to the trustees of the library, and the trustees shall expend the tax for the support, operation, and maintenance of the library. The trustees shall keep the tax separate from all other funds. The trustees shall record the amount of taxes received, to whom and when paid out, and for what purpose in a book kept by them. The trustees shall make an annual report of these matters to the legislative body of the city.

SECTION 39. IC 20-14-13-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 12. To provide for the capital projects fund, the library board may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of assessed valuation of the library district, **as adjusted under IC 6-1.1-44**. This rate must be advertised in the same manner as other property tax rates.

SECTION 40. IC 21-1-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 2. (a) The **Indiana** state board of education is authorized, subject to the provisions of this chapter, to order and direct the auditor of state to divert and make an advancement periodically from the state school tuition fund for the construction, remodeling, or repair of school buildings to any school corporation or school organized and existing

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under and pursuant to any law of the state of Indiana for the operation of a public school which is a part of the common school system of the state. An advancement to any school or school corporation under section 3 of this chapter shall not be in excess of two hundred fifty thousand dollars (\$250,000). However, this dollar limitation is waived if:

(1) the school corporation has an adjusted assessed valuation per pupil ADA of less than eight thousand four hundred dollars (\$8,400);

(2) the school corporation's debt service tax rate would exceed one dollar (\$1) for each one hundred dollars (\$100) of assessed valuation without a waiver of the dollar limitation, **as adjusted under IC 6-1.1-44**; and

(3) the school property tax control board recommends a waiver of the limitation.

(b) All advancements shall be made by the **Indiana** state board of education only as set forth in this chapter. In no instance shall an advancement be made for any purpose other than the construction, remodeling, or repairing of school buildings and classrooms and shall not be made for gymnasiums, auditoriums, or any athletic facilities.

SECTION 41. IC 21-2-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 11. (a) To provide for the capital projects fund, the governing body may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of the school corporation. This actual rate must be advertised in the same manner as other property tax rates.

(b) The maximum property tax rate levied by each school corporation must be adjusted **under IC 6-1.1-44** each time a general reassessment of property takes effect **and each time that an annual assessed value adjustment under IC 6-1.1-4-4.5 becomes effective to neutralize the inflationary effect of the general reassessment and annual assessed value adjustment.**

(c) The new maximum rate under this section is the tax rate determined under **STEP SEVEN** of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed

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value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The state board of tax commissioners shall compute the maximum rate allowed under subsection (c) and provide the rate to each school corporation.

SECTION 42. IC 21-2-17-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 2. Each year each school corporation shall impose an ad valorem property tax of thirty-three hundredths of one cent (\$0.0033) for each one hundred dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**, to be deposited in the fund.

SECTION 43. IC 21-3-3.1-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 2.1. (a) For each calendar year, the allowable transportation distribution for each school corporation shall be based on the following formula:

(1) The sum of two hundred seventy-five dollars (\$275) for 1988, and two hundred eighty dollars (\$280) for 1989 and thereafter, less the product of twenty dollars (\$20) multiplied by the linear density of the school corporation.

(2) This remainder is then multiplied by the number of the school corporation's eligible pupils.

(3) From this product is subtracted the product of thirteen and sixty-seven hundredths cents (\$0.1367) multiplied by each one hundred dollars (\$100) of the school corporation's assessed value

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for taxes first due and payable in the preceding year.

(b) Application of the formula in subsection (a) shall be governed and modified by the following provisions:

(1) In calendar year 1976, and subsequent years, no school corporation that receives funds under this chapter shall receive less money than the school corporation was entitled to receive in calendar year 1975 under IC 21-3-3 (repealed December 31, 1975).

(2) The linear density of the school corporation shall be determined by dividing the total number of eligible pupils by the round trip mileage of all vehicles used by or for the school corporation in transporting pupils.

(3) Eligible pupils are those counted in ADM, enrolled in grades K-12, and transported more than one (1) mile or a preschool child who is transported for purposes of attending a special education program under IC 20-1-6-14.1, regardless of the distance transported.

(4) The round trip mileage of a vehicle shall be the total miles traveled by the vehicle measured from the first point the vehicle picks up an eligible pupil to the last point at which an eligible pupil disembarks at school, multiplied by two (2).

(5) A kindergarten pupil, to the extent the pupil constitutes an eligible pupil, shall be counted as one-half (1/2) an eligible pupil. A preschool pupil attending a special education program under IC 20-1-6-14.1 is counted as one (1) eligible pupil.

(6) All the factors, applied in sections 1 and 3 of this chapter for determining the transportation distribution for any school corporation for any calendar year, shall be those existing in the school year ending in the preceding calendar year.

(7) If subsection (a)(3) requires the use of the assessed valuation for a year in which a general reassessment becomes effective, the **state department of local government finance** shall make an adjustment in the assessed value **under IC 6-1.1-44** used to neutralize the effect of the general reassessment. **The adjustment applies to the year in which the general reassessment becomes effective. The adjustment for the general reassessment scheduled under IC 6-1.1-4-4 for completion in calendar year 2002 applies to all subsequent years before another the next general reassessment scheduled under IC 6-1.1-4-4 for completion in calendar year 2006 becomes effective. If subsection (a)(3) requires the use of the assessed valuation for a year in which an annual assessed valuation adjustment**

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under IC 6-1.1-4-4.5 becomes effective, the department of local government finance shall adjust the base assessed value under IC 6-1.1-44 to neutralize the inflationary effect of the annual assessed value adjustment. The adjustment applies to the year in which the annual assessed value adjustment becomes effective.

SECTION 44. IC 23-14-66-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 2. (a) If the legislative body is satisfied with the accuracy of the petition, it shall:

(1) record its findings at that meeting or at any regular meeting; and

(2) subject to subsection (b), levy and collect an annual tax, as other taxes are levied and collected, in an amount that it considers reasonable, to provide additional care and maintenance for the cemetery.

(b) Taxes collected by a city or town for the care and maintenance of a cemetery lying entirely outside of the corporate limits of the city or town may not exceed three cents (\$0.03) on each one hundred dollars (\$100) of assessed valuation of property in the city or town, **as adjusted under IC 6-1.1-44.**

SECTION 45. IC 23-14-67-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 3. A county cemetery commission may request the levy of an annual tax for the purpose of restoring and maintaining one (1) or more cemeteries described in section 1 of this chapter that are located in the county. The tax may not exceed fifty cents (\$0.50) on each one hundred dollars (\$100) of assessed valuation of property in the county, **as adjusted under IC 6-1.1-44.**

SECTION 46. IC 36-7-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 4. (a) To provide money for the purposes set forth in section 3 of this chapter, the unit shall create a special revolving fund to be known as the industrial development fund, into which any available and unappropriated money of the unit may be transferred by the unit's legislative body.

(b) The legislative body may also by ordinance levy a tax not to exceed one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of assessed value of all personal and real property within its jurisdiction, **as adjusted under IC 6-1.1-44.** The proceeds of this tax shall be deposited in the industrial development fund. The unit may collect the tax as other municipal or county taxes

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are collected, or may set up a system for the collection and enforcement of the tax in the unit. The proceeds of the tax may be used for any purpose authorized by this chapter and may be pledged for the payment of principal and interest on bonds or other obligation issued under this chapter.

SECTION 47. IC 36-7-14-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 28. (a) A tax at a rate not to exceed three and thirty-three hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed valuation in a municipality and a tax at a rate not to exceed one and thirty-three hundredths cents (\$0.0133) per one hundred dollars (\$100) of assessed valuation in a county, **as adjusted under IC 6-1.1-44**, may be levied each year for the purposes of this chapter, including:

- (1) the payment, in whole or in part, of planning and survey costs;
- (2) the costs of property acquisition and redevelopment; and
- (3) the payment of all general expenses of the department of redevelopment.

However, a county may not levy this tax within the jurisdiction of a city redevelopment commission.

(b) Each year the redevelopment commission shall formulate and file a budget for the tax levy, in the same manner as executive departments of the unit are required to formulate and file budgets. This budget is subject to review and modification in the same manner as the budgets and tax levies formulated by executive departments of the unit.

(c) Revenues obtained from the tax levy for the payment in whole or in part of the costs of acquisition of land, rights-of-way, or other properties shall be deposited in the redevelopment district capital fund established under section 26 of this chapter. Other revenues obtained from the tax levy shall be deposited in a fund to be known as the redevelopment district general fund.

SECTION 48. IC 36-7-14-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

- (1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

- (A) the net assessed value of all the property as finally

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determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
 (B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the ~~state board~~ **department of tax commissioners; local government finance**, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the ~~state board~~ **department of tax commissioners; local government finance**, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded portion of the area added after June 30, 1995.

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(6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded portion of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;



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or

(B) the base assessed value;
shall be allocated to and, when collected, paid into the funds of
the respective taxing units.

(2) Except as otherwise provided in this section, property tax
proceeds in excess of those described in subdivision (1) shall be
allocated to the redevelopment district and, when collected, paid
into an allocation fund for that allocation area that may be used by
the redevelopment district only to do one (1) or more of the
following:

(A) Pay the principal of and interest on any obligations
payable solely from allocated tax proceeds which are incurred
by the redevelopment district for the purpose of financing or
refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for
bonds payable solely or in part from allocated tax proceeds in
that allocation area.

(C) Pay the principal of and interest on bonds payable from
allocated tax proceeds in that allocation area and from the
special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the
unit to pay for local public improvements in or serving that
allocation area.

(E) Pay premiums on the redemption before maturity of bonds
payable solely or in part from allocated tax proceeds in that
allocation area.

(F) Make payments on leases payable from allocated tax
proceeds in that allocation area under section 25.2 of this
chapter.

(G) Reimburse the unit for expenditures made by it for local
public improvements (which include buildings, parking
facilities, and other items described in section 25.1(a) of this
chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or
parking facility in or serving that allocation area under any
lease entered into under IC 36-1-10.

(I) Pay all or a portion of a property tax replacement credit to
taxpayers in an allocation area as determined by the
redevelopment commission. This credit equals the amount
determined under the following STEPS for each taxpayer in a
taxing district (as defined in IC 6-1.1-1-20) that contains all or
part of the allocation area:

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STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of twenty percent (20%) of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board department of tax commissioners~~ **local government finance**.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each



year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area

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shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the portion of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and ~~state board~~ **department of tax commissioners local government finance** shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the ~~state board~~ **department of tax commissioners local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual assessed value adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize the inflationary effect of the annual assessed value adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the

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adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual assessed value adjustment** had not occurred. The ~~state board department of tax commissioners~~ **local government finance** may prescribe procedures for county and township officials to follow to assist the ~~state board department~~ in making the adjustments.

SECTION 49. IC 36-7-15.1-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the ~~state board department of tax commissioners~~, **local government finance**, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the ~~state board department of tax commissioners~~, **local government finance**, as finally determined for any assessment date after the effective date of the allocation provision.

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(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded portion of the area added after June 30, 1995.

(6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded portion of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution before

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January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

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(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board~~ **department of tax commissioners: local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocated area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

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The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from

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property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and ~~state board~~ **department of tax commissioners local government finance** shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the ~~state board~~ **department of tax commissioners local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual assessed value adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize the inflationary effect of the annual assessed value adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual assessed value adjustment** had not occurred. The ~~state board~~ **department of tax commissioners local government finance** may prescribe procedures for county and township officials to

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1 follow to assist the ~~state board~~ **department** in making the adjustments.

2 SECTION 50. IC 36-7-15.1-53, AS ADDED BY P.L.102-1999,
3 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 MARCH 1, 2002 (RETROACTIVE)]: Sec. 53. (a) As used in this
5 section:

6 "Allocation area" means that part of a blighted area to which an
7 allocation provision of a resolution adopted under section 40 of this
8 chapter refers for purposes of distribution and allocation of property
9 taxes.

10 "Base assessed value" means:

11 (1) the net assessed value of all the property as finally determined
12 for the assessment date immediately preceding the effective date
13 of the allocation provision of the declaratory resolution, as
14 adjusted under subsection (h); plus

15 (2) to the extent that it is not included in subdivision (1), the net
16 assessed value of property that is assessed as residential property
17 under the rules of the ~~state board~~ **department of tax**
18 **commissioners; local government finance**, as finally determined
19 for any assessment date after the effective date of the allocation
20 provision.

21 Except as provided in section 55 of this chapter, "property taxes"
22 means taxes imposed under IC 6-1.1 on real property.

23 (b) A resolution adopted under section 40 of this chapter before
24 January 1, 2006, may include a provision with respect to the allocation
25 and distribution of property taxes for the purposes and in the manner
26 provided in this section. A resolution previously adopted may include
27 an allocation provision by the amendment of that resolution before
28 January 1, 2006, in accordance with the procedures required for its
29 original adoption. A declaratory resolution or an amendment that
30 establishes an allocation provision must be approved by resolution of
31 the legislative body of the excluded city and must specify an expiration
32 date for the allocation provision that may not be more than thirty (30)
33 years after the date on which the allocation provision is established.
34 However, if bonds or other obligations that were scheduled when
35 issued to mature before the specified expiration date and that are
36 payable only from allocated tax proceeds with respect to the allocation
37 area remain outstanding as of the expiration date, the allocation
38 provision does not expire until all of the bonds or other obligations are
39 no longer outstanding. The allocation provision may apply to all or part
40 of the blighted area. The allocation provision must require that any
41 property taxes subsequently levied by or for the benefit of any public
42 body entitled to a distribution of property taxes on taxable property in

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the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred

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in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board~~ **department of tax commissioners: local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

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(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.



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(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and ~~state board~~ **department of tax commissioners local government finance** shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the ~~state board~~ **department of tax commissioners local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual assessed value adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize the inflationary effect of the annual assessed value adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual assessed value adjustment** had not occurred. The ~~state board~~ **department of tax commissioners local government finance** may prescribe procedures for county and township officials to follow to assist the ~~state board~~ **department** in making the adjustments.

SECTION 51. IC 36-7-30-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.

25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels

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1 identified as part of the base assessed value in the declaratory
 2 resolution or an amendment thereto, as finally determined for
 3 any subsequent assessment date; plus

4 (C) to the extent that it is not included in clause (A) or (B), the
 5 net assessed value of property that is assessed as residential
 6 property under the rules of the ~~state board~~ **department of tax**
 7 ~~commissioners~~, **local government finance**, as finally
 8 determined for any assessment date after the effective date of
 9 the allocation provision.

10 Clause (C) applies only to allocation areas established in a
 11 military reuse area after June 30, 1997, and to the portion of an
 12 allocation area that was established before June 30, 1997, and that
 13 is added to an existing allocation area after June 30, 1997.

14 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 15 property.

16 (b) A declaratory resolution adopted under section 10 of this chapter
 17 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 18 resolutions adopted under IC 36-7-14-15 may include a provision with
 19 respect to the allocation and distribution of property taxes for the
 20 purposes and in the manner provided in this section. A declaratory
 21 resolution previously adopted may include an allocation provision by
 22 the amendment of that declaratory resolution in accordance with the
 23 procedures set forth in section 13 of this chapter. The allocation
 24 provision may apply to all or part of the military base reuse area. The
 25 allocation provision must require that any property taxes subsequently
 26 levied by or for the benefit of any public body entitled to a distribution
 27 of property taxes on taxable property in the allocation area be allocated
 28 and distributed as follows:

29 (1) Except as otherwise provided in this section, the proceeds of
 30 the taxes attributable to the lesser of:

31 (A) the assessed value of the property for the assessment date
 32 with respect to which the allocation and distribution is made;
 33 or

34 (B) the base assessed value;

35 shall be allocated to and, when collected, paid into the funds of
 36 the respective taxing units.

37 (2) Except as otherwise provided in this section, property tax
 38 proceeds in excess of those described in subdivision (1) shall be
 39 allocated to the military base reuse district and, when collected,
 40 paid into an allocation fund for that allocation area that may be
 41 used by the military base reuse district and only to do one (1) or
 42 more of the following:

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(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of the twenty percent (20%) of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

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(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board~~ **department of tax commissioners. local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

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(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer

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for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the ~~state board~~ **department of tax commissioners local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. **After each annual assessed value adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize the inflationary effect of the annual assessed value adjustment on the property tax proceeds allocated to the military base reuse district under this section.** However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment ~~or annual assessed value adjustment~~ had not occurred. The ~~state board department of tax commissioners local government finance~~ may prescribe procedures for county and township officials to follow to assist the ~~state board department~~ in making the adjustments.

SECTION 52. IC 36-8-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 4. (a) To provide for the cumulative building and equipment fund established under this chapter, the legislative body may levy a tax on all taxable property within the taxing district in compliance with IC 6-1.1-41. The tax rate may not exceed three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of assessed valuation of property in the taxing district, **as adjusted under IC 6-1.1-44.**

(b) As the tax is collected, it shall be deposited in a qualified public depository or depositories and held in a special fund to be known as the "building or remodeling, firefighting, and police radio equipment fund" in the case of a municipality or as the "building or remodeling and fire equipment fund" in the case of a township or fire protection district.

SECTION 53. IC 36-8-15-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec. 19. (a) This subsection applies to a county not having a consolidated city. For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance

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1 establishing the district, an ad valorem property tax levy on property
 2 within the district. The property tax rate for that levy may not exceed
 3 five cents (\$0.05) on each one hundred dollars (\$100) of assessed
 4 valuation, **as adjusted under IC 6-1.1-44.**

5 (b) This subsection applies to a county having a consolidated city.
 6 The county fiscal body may elect to fund the operation of the district
 7 from part of the certified distribution, if any, that the county is to
 8 receive during a particular calendar year under IC 6-3.5-6-17. To make
 9 such an election, the county fiscal body must adopt an ordinance before
 10 September 1 of the immediately preceding calendar year. The county
 11 fiscal body must specify in the ordinance the amount of the certified
 12 distribution that is to be used to fund the operation of the district. If the
 13 county fiscal body adopts such an ordinance, it shall immediately send
 14 a copy of the ordinance to the county auditor.

15 (c) Subject to subsections (d), (e), and (f), if an ordinance or
 16 resolution is adopted changing the territory covered by the district or
 17 the number of public agencies served by the district, the local
 18 government tax control board shall, for property taxes first due and
 19 payable during the year after the adoption of the ordinance, adjust the
 20 maximum permissible ad valorem property tax levy limits of the
 21 district and the units participating in the district.

22 (d) If a unit by ordinance or resolution joins the district or elects to
 23 have its public safety agencies served by the district, the local
 24 government tax control board shall reduce the maximum permissible
 25 ad valorem property tax levy of the unit for property taxes first due and
 26 payable during the year after the adoption of the ordinance or
 27 resolution. The reduction shall be based on the amount budgeted by the
 28 unit for public safety communication services in the year in which the
 29 ordinance was adopted. If such an ordinance or resolution is adopted,
 30 the district shall refer its proposed budget, ad valorem property tax
 31 levy, and property tax rate for the following year to the board, which
 32 shall review and set the budget, levy, and rate as though the district
 33 were covered by IC 6-1.1-18.5-7.

34 (e) If a unit by ordinance or resolution withdraws from the district
 35 or rescinds its election to have its public safety agencies served by the
 36 district, the local government tax control board shall reduce the
 37 maximum permissible ad valorem property tax levy of the district for
 38 property taxes first due and payable during the year after the adoption
 39 of the ordinance or resolution. The reduction shall be based on the
 40 amounts being levied by the district within that unit. If such an
 41 ordinance or resolution is adopted, the unit shall refer its proposed
 42 budget, ad valorem property tax levy, and property tax rate for public

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1 safety communication services to the board, which shall review and set
 2 the budget, levy, and rate as though the unit were covered by
 3 IC 6-1.1-18.5-7.

4 (f) The adjustments provided for in subsections (c), (d), and (e) do
 5 not apply to a district or unit located in a particular county if the county
 6 fiscal body of that county does not impose an ad valorem property tax
 7 levy under subsection (a) to fund the operation of the district.

8 SECTION 54. IC 36-9-17.5-4, AS ADDED BY P.L.129-1999,
 9 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 MARCH 1, 2002 (RETROACTIVE)]: Sec. 4. (a) To provide for the
 11 cumulative township vehicle and building fund authorized under this
 12 chapter, the legislative body of a township may levy a tax on all taxable
 13 property within the township in compliance with IC 6-1.1-41. The tax
 14 rate may not exceed five cents (\$0.05) on each one hundred dollars
 15 (\$100) of assessed valuation of property in the township for property
 16 taxes first due and payable before January 1, 2002, or one and
 17 sixty-seven hundredths cents (\$0.0167) on each one hundred dollars
 18 (\$100) of assessed valuation of property in the township, **as adjusted**
 19 **under IC 6-1.1-44**, for property taxes first due and payable after
 20 December 31, 2001.

21 (b) As the tax is collected, it shall be deposited in a qualified public
 22 depository or depositories and held in a special fund known as the
 23 cumulative township vehicle and building fund.

24 SECTION 55. IC 36-9-27-100 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 26 100. To provide money for a cumulative drainage fund established
 27 under section 99 of this chapter, the fiscal body may levy a tax in
 28 compliance with IC 6-1.1-41 not to exceed five cents (\$0.05) on each
 29 one hundred dollars (\$100) of assessed valuation, **as adjusted under**
 30 **IC 6-1.1-44**, of all taxable personal and real property:

31 (1) within the corporate boundaries, in the case of a municipality;

32 or

33 (2) within the county but outside the corporate boundaries of all
 34 municipalities, in the case of a county.

35 SECTION 56. IC 36-10-3-21 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 37 21. (a) The board may establish a cumulative building fund under
 38 IC 6-1.1-41 to provide money for:

39 (1) building, remodeling, and repair of park and recreation
 40 facilities; or

41 (2) purchase of land for park and recreation purposes.

42 In addition to the requirements of IC 6-1.1-41, before a fund may be

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1 established, the proposed action must be approved by the fiscal body
2 of the unit.

3 (b) To provide for the cumulative building fund, the unit's fiscal
4 body may levy a tax in compliance with IC 6-1.1-41 not to exceed one
5 and sixty-seven hundredths cents (\$0.0167) on each one hundred
6 dollars (\$100) of assessed valuation, **as adjusted under IC 6-1.1-44**,
7 of taxable property within the unit.

8 (c) The tax shall be collected and held in a special fund known as
9 the unit's park and recreation cumulative building fund.

10 SECTION 57. IC 36-10-6-2 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
12 2. (a) This section applies to all counties.

13 (b) As used in this section, "board" refers to an area park board
14 established under this chapter.

15 (c) As used in this section, "district" refers to an area park district
16 established under this chapter.

17 (d) Two (2) or more counties may establish an area park district for
18 the purposes of establishing, owning, maintaining, and controlling one
19 (1) or more public parks for the use and benefit of the residents of those
20 counties. To establish a district, the legislative body of each county
21 desiring to join shall adopt substantially identical ordinances indicating
22 this intention. Before the ordinances take effect, they must be published
23 in their respective counties in accordance with IC 5-3-1. Within ten
24 (10) days after the publication of the ordinance, the auditor of each
25 county shall file a certified copy of the ordinance with the auditor of
26 each of the other counties involved. When the ordinances have been
27 adopted and filed by all the counties joining, the district is considered
28 established. All of the territory of the counties joining comprises the
29 district.

30 (e) Within ten (10) days after the publication of the ordinance, any
31 registered voter may notify the legislative body of his intent to file a
32 remonstrance petition. Within sixty (60) days after this notice, petitions
33 for and against the county's joining in the proposed district may be filed
34 with the legislative body. The petitions must be signed and
35 acknowledged by registered voters of the county. The petition that
36 contains the greater number of signatures prevails.

37 (f) Within thirty (30) days after the establishment of the district, the
38 legislative body of each county joining shall appoint members to the
39 area park board. Each county may appoint one (1) member to the
40 board. In addition, each county may appoint an additional member for
41 each fifty thousand (50,000) residents or fraction thereof of that
42 county's population. Each member must be a resident of the county

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1 from which he is appointed, and at least one (1) member from each
 2 county must be an elected official of that county. Members serve for
 3 terms of four (4) years and may be reappointed. Vacancies shall be
 4 filled by the appointing authority for the unexpired term of the vacating
 5 member.

6 (g) The board shall meet within thirty (30) days after the
 7 appointment of all members. Notice of the meeting shall be given by
 8 the auditor of the county that passed the first ordinance to establish the
 9 district. At the meeting the board shall elect one (1) of its members
 10 chairman and one (1) secretary and shall adopt rules of order that it
 11 considers necessary. The board shall then meet at times and places that
 12 it determines. Members serve on the board without compensation.
 13 However, all members except the elected official members are entitled
 14 to receive a per diem and mileage for time spent in the performance of
 15 their duties.

16 (h) Except as provided in subsection (i), the board has all of the
 17 powers of a board under IC 36-10-3 except the power of eminent
 18 domain.

19 (i) The board may levy a tax for the establishment, purchase,
 20 maintenance, and control of the parks established and controlled by the
 21 board, but the tax may not exceed one and sixty-seven hundredths cents
 22 (\$0.0167) for each one hundred dollars (\$100) of assessed valuation of
 23 property in the district, **as adjusted under IC 6-1.1-44**. When the
 24 board determines the rate of the levy, the board shall certify it to each
 25 county auditor. The levy shall then be placed upon the tax duplicate of
 26 each county in the district, and the tax shall be collected in the same
 27 manner as other taxes are collected. All money received for the district
 28 shall be paid into the treasury of the county with the greatest
 29 population. The money shall be deposited and kept as other public
 30 funds are deposited and kept, and interest earned on the money shall be
 31 credited to the area park fund. Money may be paid out by the treasurer
 32 only upon the written order of the board.

33 (j) A county may withdraw from a district only upon a two-thirds
 34 (2/3) vote of its legislative body. If a county decides to withdraw from
 35 a district, the date of withdrawal must be effective on January 1 of a
 36 year at least one (1) year after the date upon which the county voted to
 37 withdraw.

38 SECTION 58. IC 36-10-7-8 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.
 40 8. (a) This section applies to all townships having a population of less
 41 than two thousand (2,000).

42 (b) The township executive may lease, purchase, accept by grant,



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1 devise, bequest, or other conveyance to the township, or otherwise
2 acquire land for park purposes and may make necessary improvements
3 only as provided by this section.

4 (c) The legislative body may establish a township park and may, by
5 resolution, appropriate from the general fund of the township the
6 necessary money to lease, purchase, accept, or otherwise acquire land
7 for park purposes or make improvements thereon. The executive shall
8 then lease, purchase, accept, or acquire the land for park purposes or
9 shall make improvements thereon as directed in the resolution.
10 However, the costs of the park grounds or of the improvements
11 provided for in the resolution may not exceed in one (1) year one-fifth
12 of one percent (0.2%) of the adjusted value of all taxable property of
13 the township as determined under IC 36-1-15.

14 (d) If a park has been established under this section, the executive
15 shall have the park maintained and may make improvements and
16 construct and maintain facilities for the comfort and convenience of the
17 public. However, the executive annually may not spend more than one
18 cent (\$0.01) on each one hundred dollars (\$100) of assessed valuation
19 of taxable property in the township, **as adjusted under IC 6-1.1-44**, as
20 it appears on the tax duplicates of the auditor of the county in which the
21 township is located. The money shall be paid from the general fund of
22 the township.

23 (e) If the general fund of the township is insufficient to meet the
24 expenses of acquiring or improving the land for park purposes, the
25 executive shall call a special meeting of the legislative body by written
26 notice to each member of the legislative body at least three (3) days
27 before the date of the meeting. The notice must state the time, place,
28 and purpose of the meeting. The legislative body shall meet and
29 determine whether an emergency exists for the issuance of the warrants
30 or bonds of the township. The legislative body shall, by resolution,
31 authorize the issuance and sale of the warrants or bonds of the
32 township in an amount not exceeding two percent (2%) of the adjusted
33 value of all taxable property in the township as determined under
34 IC 36-1-15. The amount of bonds may not exceed the total estimated
35 cost of all land to be acquired and all improvements described in the
36 resolution, including all expenses necessarily incurred in connection
37 with the proceedings. The proceeds from the sale of the bonds shall be
38 deposited in the general fund of the township. The bonds become due
39 and payable not less than two (2) nor more than ten (10) years after the
40 date of issuance, may bear interest at any rate, and may not be sold for
41 less than par value. The bonds shall be sold after giving notice of the
42 sale of bonds in accordance with IC 5-3-1. The bonds and the interest

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thereon are exempt from taxation as provided by IC 6-8-5 and are subject to the provisions of IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds, the appropriation of the proceeds of the bonds, and the approval by the ~~state board~~ **department of tax commissioners: local government finance.**

(f) The legislative body shall, at its next annual meeting after authorization of bonds and annually each following year, levy a sufficient tax against all the taxable property of the township to pay the principal of the bonds, together with accruing interest, as they become due. The executive shall apply the money received from the levy only to the payment of bonds and interest as they become due.

(g) In addition to the levy required by subsection (f), the legislative body shall, when a park has been established under this section and at every annual meeting after establishment, levy a tax not exceeding one cent (\$0.01) on each one hundred dollars (\$100) of taxable property in the township, **as adjusted under IC 6-1.1-44.** The levy required by this subsection shall be used by the executive for the maintenance and improvement of the park. The executive may not expend more for maintenance and improvement of the park than the amount collected by the levy except:

- (1) upon petition by fifty-one percent (51%) of the taxpayers of the township; or
- (2) when warrants or bonds are to be issued under this section to finance the expenses of improvements.

The amount received from the levy shall be deposited in the general fund of the township.

(h) A park established under this section shall be kept open to the public in accordance with rules prescribed by the executive.

(i) If the executive determines that land or other property used for park purposes under this section should be disposed of and that the park should no longer be maintained, the executive shall appoint three (3) disinterested appraisers to appraise the property. The property shall then be disposed of either at public or private sale for at least its appraised value.

(j) This subsection applies if the township sells the property by acceptance of bids. A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

- (1) beneficiary of the trust; and
- (2) settlor empowered to revoke or modify the trust.

(k) All money from the sale of park property, less the expenses incurred in making the appraisal and sale, shall be paid into the general fund of the township.

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1 SECTION 59. IC 36-10-7.5-19 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]: Sec.

3 19. (a) The fiscal body may establish a cumulative building fund under
 4 IC 6-1.1-41 to provide money for:

5 (1) building, remodeling, and repair of park and recreation
 6 facilities; or

7 (2) purchase of land for park and recreation purposes.

8 (b) To provide for the cumulative building fund, the township fiscal
 9 body may levy a tax in compliance with IC 6-1.1-41 not greater than
 10 one and sixty-seven hundredths cents (\$0.0167) on each one hundred
 11 dollars (\$100) of assessed valuation of taxable property within the
 12 township, **as adjusted under IC 6-1.1-44.**

13 (c) The tax shall be collected and held in a special fund known as
 14 the township park and recreation cumulative building fund.

15 SECTION 60. [EFFECTIVE MARCH 1, 2002 (RETROACTIVE)]

16 **(a) The provisions of this act requiring that maximum tax rates,**
 17 **certain deductions, and base assessed values in allocation areas be**
 18 **adjusted to neutralize the effect of a general reassessment apply to**
 19 **reassessments beginning with the reassessment that is required to**
 20 **be completed under IC 6-1.1-4-4 in calendar year 2002.**

21 **(b) IC 6-1.1-18.5-2, as amended by this act, applies to budgets,**
 22 **tax levies, and tax rates imposed for property taxes first due and**
 23 **payable after calendar year 2002.**

24 SECTION 61. An emergency is declared for this act.

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